

## TWENTY-SIXTH DAY

**Tuesday, March 06, 2012**

The House of Representatives of the Twenty-Sixth Legislature of the State of Hawaii, Regular Session of 2012, convened at 9:04 o'clock a.m., with Vice Speaker Manahan presiding.

The invocation was delivered by Mr. Blayne Higa of Pacific Buddhist Academy, and former Office Manager for Representative Luke, after which the Roll was called showing all Members present with the exception of Representative Cabanilla, who was excused.

By unanimous consent, reading and approval of the Journal of the House of Representatives of the Twenty-Fifth Day was deferred.

## GOVERNOR'S MESSAGES

The following message from the Governor (Gov. Msg. No. 222) was received and announced by the Clerk and was placed on file:

Gov. Msg. No. 222, dated March 2, 2012, transmitting the FY 2011 Annual Report of the Department of Human Services, pursuant to Section 346-5, HRS.

## SENATE COMMUNICATIONS

The following communication from the Senate (Sen. Com. No. 36) was received and announced by the Clerk:

Sen. Com. No. 36, transmitting S.C.R. No. 52, SD 1, entitled: "SENATE CONCURRENT RESOLUTION URGING GROVE FARM COMPANY, INC. TO PLACE AN IMMEDIATE STAY OF EVICTION AND ENGAGE IN MEANINGFUL FORMAL DISCUSSIONS WITH THE TENANTS OF THE KOLOA PLANTATION CAMP REGARDING FUTURE PLANS FOR THE PLANTATION PROPERTY AND THE DEVELOPMENT OF ALTERNATIVE SOLUTIONS," which was adopted by the Senate on March 2, 2012.

## ORDER OF THE DAY

## SUSPENSION OF RULES

On motion by Representative Evans, seconded by Representative Pine and carried, the rules were suspended for the purpose of considering certain House Bills for Third Reading by consent calendar. (Representatives Cabanilla and Marumoto were excused.)

## CONSENT CALENDAR

At this time, the Chair announced:

"Members, there will be no discussion as these are items that are agreed to by this Body for placement on the Consent Calendar. All items from pages 1 through 20."

## UNFINISHED BUSINESS

At 9:09 o'clock a.m., Representative Evans requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 9:11 o'clock a.m.

Representatives Chang and Coffman, for the Committee on Water, Land, & Ocean Resources and the Committee on Energy & Environmental Protection presented a report (Stand. Com. Rep. No. 691-12) recommending that H.B. No. 2150, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committees was adopted and H.B. No. 2150, HD 2, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL LANDS," passed Third Reading by a vote of 51 ayes.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 696-12) recommending that H.B. No. 2587, as amended in HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2587, HD 1, entitled: "A BILL FOR AN ACT RELATING TO SAILING SCHOOL VESSELS," passed Third Reading by a vote of 51 ayes.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 698-12) recommending that H.B. No. 2537, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2537, HD 2, entitled: "A BILL FOR AN ACT RELATING TO DISCLOSURE OF RECORDS CONCERNING APPLICANTS AND RECIPIENTS OF HUMAN SERVICES AFTER AN IN CAMERA REVIEW BY THE COURT," passed Third Reading by a vote of 51 ayes.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 700-12) recommending that H.B. No. 2441, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2441, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CHILD SUPPORT ENFORCEMENT," passed Third Reading by a vote of 51 ayes.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 701-12) recommending that H.B. No. 2591, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2591, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ACCRETED LANDS," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Hanohano voting no.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 703-12) recommending that H.B. No. 2533, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2533, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE DEFINITION OF AGGRAVATED CIRCUMSTANCES IN THE CHILD PROTECTIVE ACT," passed Third Reading by a vote of 51 ayes.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 705-12) recommending that H.B. No. 2312, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2312, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TORTS," passed Third Reading by a vote of 51 ayes.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 707-12) recommending that H.B. No. 2564, as amended in HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2564, HD 1, entitled: "A BILL FOR AN ACT RELATING TO VOLUNTEER

MEDICAL ASSISTANCE SERVICES," passed Third Reading by a vote of 51 ayes.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 708-12) recommending that H.B. No. 2113, as amended in HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2113, HD 1, entitled: "A BILL FOR AN ACT RELATING TO FIRE PROTECTION," passed Third Reading by a vote of 51 ayes.

Representative Herkes, for the Committee on Consumer Protection & Commerce presented a report (Stand. Com. Rep. No. 711-12) recommending that H.B. No. 2013, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2013, HD 2, entitled: "A BILL FOR AN ACT RELATED TO MIXED MARTIAL ARTS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 714-12) recommending that H.B. No. 2740, as amended in HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2740, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Nakashima's written remarks in support of the measure are as follows:

"This bill will extend the reduction of State highway taxes for this fuel used to generate electricity in my district on Hawaii Island. The Hamakua Energy Partners took over the generation of electricity on the site of the former Hamakua Sugar Co. after the plantation closed and provided a number of badly needed jobs for this depressed area. The tax, while nominal, is borne totally by this private entity for the benefit of the State Highway Fund. I have never understood the nexus that exists between this fuel tax and energy generation, as naphtha is not commercially available as a surface transportation fuel; at least not on the Big Island."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2740, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 51 ayes.

Representative Herkes, for the Committee on Consumer Protection & Commerce presented a report (Stand. Com. Rep. No. 732-12) recommending that H.B. No. 1925, as amended in HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1925, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks in support of the measure are as follows:

"Thank you, Mr. Speaker. I support H.B. 1925 HD1 which will require County Liquor Commissions to treat Hawaii craft distilled products the same as wine produced in Hawaii. Hawaii is becoming known for not only fine local wines—using local agricultural products—but also for its locally-brewed beers and liquors, including rums, vodkas and other liquors. This measure supports a niche in our local economy by allowing craft distillers to sell their products directly to visitors at their manufacturing sites or a tasting site for private use and consumption. As in the case of wineries, distilleries are an additional place where visitors can view and sample Hawaii products.

"This bill will stimulate sales for local, independent entrepreneurs, as well as stimulate Hawaii's local economy. It will encourage and strengthen niche local manufacturing."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1925, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LIQUOR," passed Third Reading by a vote of 51 ayes.

Representative Herkes, for the Committee on Consumer Protection & Commerce presented a report (Stand. Com. Rep. No. 733-12) recommending that H.B. No. 1964, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1964, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 739-12) recommending that H.B. No. 2600, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2600, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CONTROLLED SUBSTANCES," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Hanohano voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 740-12) recommending that H.B. No. 2601, HD 2, as amended in HD 3, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2601, HD 3, entitled: "A BILL FOR AN ACT RELATING TO THE SERVICE OF PROCESS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 741-12) recommending that H.B. No. 2639, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2639, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks in support of the measure are as follows:

"Honorable Speaker, I support this measure that recognizes the quality of military training and experience and which assists Hawaii-based military personnel to earn academic credits through the University of Hawaii. This bill facilitates the UH college equivalency program giving full measure to the professional experience gained by servicemen and servicewomen while serving in the United States Armed Forces.

"As our military personnel return home from deployment and separate from military service, many will face the challenge of securing gainful employment. As the G.I. Bill provided opportunities through education for earlier generations, utilizing their military educational benefits and pursuing higher education remains one of the best ways to transition into civilian life and employment. This measure would save time and money for the service member trying to complete their education.

"This measure requires the University of Hawaii to develop an associated learning assessment to determine college level learning gained during military experience.

"This measure is the right thing to do for those who serve so selflessly to defend our nation."

Representative Johanson's written remarks in support of the measure are as follows:

"I rise in support of HB 2639. I believe it is important that Hawaii become a continuum of opportunity for our returning armed service members. The State of Hawaii has an opportunity to facilitate the transition back into civilian life for these brave men and women by making educational opportunities more accessible and available. This bill accomplishes that end by recognizing the professional knowledge, expertise and skills gained while on active duty. It does not make sense to make individuals repeat duplicative academic courses where the individual's professional abilities already surpass the academic quotient of learning. I am in strong support of this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2639, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HIGHER EDUCATION," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 742-12) recommending that H.B. No. 2642, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2642, HD 2, entitled: "A BILL FOR AN ACT RELATING TO FIREWORKS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 746-12) recommending that H.B. No. 1874, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1874, entitled: "A BILL FOR AN ACT RELATING TO VOG," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 747-12) recommending that H.B. No. 2409, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2409, entitled: "A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 750-12) recommending that H.B. No. 2100, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2100, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Tsuji's written remarks in support of the measure are as follows:

"Mr. Speaker, I am in support of HB 2100 which would appropriate monies for statewide bee hive research. UH-Hilo continues to lead the way for such research. The work done by Dr. Lorna Tsutsumi of the College of Agriculture, Farming, Natural Resource Management is noteworthy and has garnered support from renowned chef Alan Wong.

"Honey bees are responsible for crop pollination and their health and well-being are especially important if we truly want to reduce our dependency on imported food. Unfortunately, there are several major pests threatening honey bees in Hawaii. The small hive beetle arrived in the State in 2010 and has been detected on four islands. Its presence compounds the challenges for beekeepers, who are already dealing with the *Varroa* mite since 2007. This bill is a tool to alleviate these obstacles."

Representative Awana's written remarks in support of the measure are as follows:

"Mr. Speaker, I rise in strong support. This measure supports the agriculture industry in providing necessary funding to ensure the safety of

a tiny, but very necessary insect which is crucial to the balance of our food cycle, the bee. In years past, the varroa mite hit our Hawaii bee population creating serious concern among the farming community. No bees, leads to no pollination. No pollination means no new plants, no livestock, and no food. I applaud the University of Hawaii at Hilo as they continue to be diligent in ensuring a healthy Anthophila population which in turn helps the rest of Hawaii. Again, I am in strong support and I ask that the other Members of the Legislature support this measure. Thank you, Mr. Speaker."

Representative Pine's written remarks in support of the measure are as follows:

"I strongly support HB 2100 HD2, which would appropriate general funds to the University of Hawaii for beehive research statewide.

"I first want to thank Chef Alan Wong and his staff for bringing attention to this important subject. Chef Wong recognizes the importance of honeybees, which prompted him to partner with UHH in heightening awareness about the plight of bees, their decreasing populations and what can be done to help them flourish.

"With his "Adopt a Beehive with Alan Wong" initiative, the famous chef supports the work at UHH by encouraging donations to the UH Foundation. All proceeds support bee hive "adoptions" at the campus farm, and contributors receive reports on their adopted bee hives, along with honey and other products.

"Albert Einstein predicted, "If the bee disappeared off the surface of the globe then man would only have four years of life left. No more bees, no more pollination, no more plants, no more animals, no more man." Many of us do not realize that bees pollinate and make possible a wide range of vegetables, fruits and flowers and make much of our local agriculture industry possible.

"Hawaii is a world leader in producing queen bees, and this bill would strengthen that industry. In addition to being a significant economic driver, this industry promotes the health and proliferation of bees, which pollinate many agricultural crops throughout Hawaii.

"HB 2100 HD2 would help protect bee colonies from harmful pests, such as small hive beetles and Varroa mites, and thereby increase food security for Hawaii residents. The bill would further research and educational activities at the University of Hawaii Hilo campus. At the university's 110-acre apiary in Panaewa, students receive hands-on training on how to cultivate bees at this outdoor laboratory with 25 hives.

"UHH also maintains a one-acre bee-friendly educational garden featuring a variety of plants that reflect the history of beekeeping in our Islands.

"Clearly, Hawaii's honey bee industry deserves State funding to continue its vital work. For all the above reasons, I strongly support HB 2100 HD2, Relating to Bees."

Representative Nakashima's written remarks in support of the measure are as follows:

"This bill will provide an appropriation to the University of Hawaii for statewide bee hive research. This is critical to the agricultural industry as so many agricultural products are solely dependent on bees as their source of pollination which is necessary to ensure the maturity of many crops. The bee industry is in jeopardy as the result of the unintended introduction of the varroa mite that affects the development and abilities of the bees to complete this very important task."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2100, HD 2, entitled: "A BILL FOR AN ACT RELATING TO BEES," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 751-12) recommending that H.B. No. 2093, HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2093, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Nakashima's written remarks in support of the measure are as follows:

"Mr. Speaker, this is a critical piece in our return to food sustainability as we have fallen far behind in our drive to develop new farmers to work the fields that we are so concerned about protecting. The rejuvenation of the Future Farmers of America program in our schools is critical to the future survival of agriculture in Hawaii as this program will not only provide us with farmers, but with the necessary participants and leaders in a strong and vibrant agricultural sector. This is just one piece of a comprehensive vision that would include the processing and marketing of island grown products that will help to ensure that agriculture is not only sustainable but also profitable for farm families throughout the State."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2093, HD 2, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL EDUCATION," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 752-12) recommending that H.B. No. 1942, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1942, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Tsuji's written remarks in support of the measure are as follows:

"Mr. Speaker, I am in support of this measure which would allow the State HDOA to build an electronic manifest program. It notifies inspectors of the types of commodities being imported into the State prior to a plane's arrival. This is an advantage that would greatly help to combat invasive species from further establishing a foothold in Hawaii."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1942, HD 2, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 753-12) recommending that H.B. No. 1943, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1943, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Tsuji's written remarks in support of the measure are as follows:

"Mr. Speaker, I am in support of this measure which proposes to create a detection and prevention program within the State Department of Agriculture (HDOA).

"The Hawaii Detector Dog Program (HDDP), which began in November 1989, was unfortunately shutdown at the end of June 2009. This bill would provide a general fund appropriation to match a federal grant to fund plant quarantine detector dogs. Testimony was given that the re-establishment of HDOA's detector dog program is one of the ten most important actions that must be taken to protect Hawaii. Guam's build-up and Asia's increased importance in trade and military matters means that we are increasingly vulnerable to invasion by brown tree snake and other pest species. Since there is no 100% inspection of cargo and conveyances that

are bound for Hawaii, we must take responsibility for protecting our shores and the HDDP is an effective way of doing so."

Representative Awana's written remarks in support of the measure are as follows:

"Mr. Speaker, I rise in support. In the past, positions within the Department of Agriculture have been cut because of budget challenges. It only takes one invasive species to create havoc to our environment. We have learned this lesson from the mongoose, snake, rat, wasps, and the list goes on. This measure will provide necessary funding needed to help fund positions to increase protection against invasive species. This measure is not only important to the Department of Agriculture, but also even more important to the people of Hawaii. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1943, HD 2, entitled: "A BILL FOR AN ACT RELATING TO INVASIVE SPECIES," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 755-12) recommending that H.B. No. 280, HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 280, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Coffman's written remarks in opposition to the measure are as follows:

"I cannot support HB280—a bill to repeal requirements by the Department of Agriculture to inspect and certify Hawaiian green bean coffee.

"The current laws and rules regarding the inspection of Hawaiian grown coffee were the result of the Kona Kai coffee scandal of 1996, when it was discovered that a mainland-based company was selling coffee not grown in Hawaii and labeling it as Kona Coffee.

"Our coffee inspection and certification program worked fine until the Lingle Administration decimated the program by cutting the number of inspectors within the Department of Agriculture in 2009.

"I have reviewed the hearing testimony for HB280 and I want to share the following concerns:

- The Department of Agriculture testified in support of the bill, reminding us of the counterfeit scandal and associated fraud. However, with only one full-time inspector for Kona, they realize that their lack of inspectors is causing the problem of shipping delays which results in cash flow problems for coffee sellers.
- This year's coffee crop is almost completely harvested. The Department of Agriculture is on record that they will be hiring more inspectors by the end of this month. Why would we repeal a law that protects one of our unique Hawaiian products when we are in the process of solving the problem?
- The Department of Agriculture has established HAR 4-143-10 which authorizes and establishes a process for self-certification, making the repeal of the Department of Agriculture's inspection and certification unnecessary. It is called the Coffee Quality Verification Program (CQVP). Once a dry miller reaches a level III status in the CQVP program, that business entity is only required to have an audit/inspection every 30 days.
- Other testimony, while in support, expressed the need to have strong penalties for individuals that violate the self-certification program. The bill does not address any additional penalties for violators and accordingly the bill is not truly supported by these individuals.

- This is the worst time to repeal our inspection and certification laws. The coffee berry borer beetle is creating a lot of sub-standard coffee that cannot be labeled as Kona Coffee. While I am not accusing anyone of planning to market this inferior product, I don't think that we should provide that temptation by repealing our laws.
- Kona coffee is only as good as its reputation. All of Hawaii loses if we again taint that product's reputation.

"Because HB280 will be effective upon approval and may not be subject to a Conference discussion, I will be voting No on the measure."

Representative Tsuji's written remarks in support of the measure are as follows:

"Mr. Speaker, I am in support of this bill which seeks to repeal the requirement that all Hawaii-grown green coffee beans shall be inspected and certified by the Department of Agriculture (HDOA).

"Having had discussions with various coffee industry members, HDOA officials feel that a voluntary certification program, and mandatory compliance to grading standards and origin documentation under proposed changes to the Hawaii Administrative Rules, will provide sufficient protection for Hawaii's coffee industry. While this will make certification voluntary, this measure would not trump the current quarantines in place that are meant to prevent the spread of coffee berry borer or other potential invasive pests or diseases."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 280, HD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Coffman and Hanohano voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 756-12) recommending that H.B. No. 2244, HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2244, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Tsuji's written remarks in support of the measure are as follows:

"Mr. Speaker, I support this bill which would create a licensure process to allow private inspectors in other states to conduct inspections of items intended for import to Hawaii.

"This provision would give the Department of Agriculture a means to evaluate items at mainland points of origin before they arrive into our State. This type of pre-entry program is especially important for high risk commodities, such as Christmas trees and leafy greens."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2244, HD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE INSPECTORS," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Hanohano voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 758-12) recommending that H.B. No. 2614, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2614, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE COMMERCIAL HARBORS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 760-12) recommending that H.B. No. 2684, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2684, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE ZIPPER LANE," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 762-12) recommending that H.B. No. 2380, HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2380, HD 2, entitled: "A BILL FOR AN ACT RELATING TO SHIPPING," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 766-12) recommending that H.B. No. 2602, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2602, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CREDIT FOR TIME OF DETENTION PRIOR TO SENTENCE," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 769-12) recommending that H.B. No. 1777, HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1777, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks in support of the measure are as follows:

"Thank you, Mr. Speaker. I support HB 1777 HD 1 which provides the authority for judges in all criminal cases, to order the production of records by persons or entities (including financial institutions, internet service providers, and communication service providers), located outside the State of Hawaii. Basically, this bill creates a jurisdictional "long-arm statute" for criminal proceedings, which is similar to the existing "long-arm statute" utilized in civil proceedings, for discovery and legal processes.

"This bill—included in a package of bills aimed at updating our penal statutes to deal with the growing sophistication of cyber-based and digital crimes—is patterned after similar statutes that have been recently enacted in Washington State, Minnesota, California, and Florida. This bill does not change the legal standards required to effectuate criminal process, but does ensure equality, efficiency, fairness and reciprocity of Hawaii's processes with those of other states."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1777, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PRODUCTION OF RECORDS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 770-12) recommending that H.B. No. 1892, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1892, entitled: "A BILL FOR AN ACT RELATING TO THE REAPPORTIONMENT COMMISSION," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 771-12) recommending that H.B. No. 2174, HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2174, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks in support of the measure are as follows:

"Thank you, Mr. Speaker. I rise in support of HB2174 HD 1, a measure that ensures additional transparency in Hawaii's campaign spending laws, especially in light of changes in federal campaign spending court decisions. The bill focuses on increasing the public's right to know who the financial backers are for all candidates. The bill would also facilitate public inspection and searching of the Campaign Spending Commission's database.

"This measure requires that every report to be filed by an individual or entity must be certified as complete and accurate by that individual or entity and provides additional disclosure requirements for noncandidate committee reports. This bill addresses loopholes that may allow third party expenditures to skirt the importance of disclosures at the end of a campaign. This bill requires that any expenditure paid for, that will be rendered during the last three days of an election period, must also be included in a late expenditures report and mandates late reports from entities that make contributions or independent expenditures in an aggregate amount of more than \$500 within fourteen through four calendar days prior to any election. It also provides certain requirements for advertisements and subjects any person who files a defective report to monitoring and penalties.

"This bill addresses the critical and timely issue of independent expenditures in campaigns. It creates a searchable database for campaign spending data, improves the reporting by noncandidate committees (PACs and SuperPACs), adds late expenditure reports, and improves disclosure for campaign advertisements. In response to *Citizens United v. Federal Election Commission*, 558 U.S. \_\_\_, 130 S.Ct. 876 (2010), this bill will improve Hawaii's campaign disclosure law and help it move toward greater transparency."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2174, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGN SPENDING," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 775-12) recommending that H.B. No. 2454, HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2454, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE RAP BACK PROGRAM OF THE HAWAII CRIMINAL JUSTICE DATA CENTER," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 777-12) recommending that H.B. No. 2046, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2046, pass Third Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks in support of the measure are as follows:

"Honorable Speaker, I support HB 2046 which establishes an Adult and Community Education Program Special Fund with separate accounts for each school. Adult Community Schools serve an integral function of the Department of Education in my community by providing adult basic education, Competency Based High School Diploma Program, general educational development (GED), English as a Second Language, and citizenship. My community has an ever increasing number of immigrant families with children and young adults in need of the services provided by the Adult Community Schools. This bill provides that adult and community education program will be funded through legislative appropriations supplemented by student fees.

"Although H.R.S. §302A-432 establishes a program of adult and community education which is regulated by the Department of Education, the program is constantly fighting for its basic existence. The passage of this bill establishing a special fund is vital to the program."

Representative Aquino's written remarks in support of the measure are as follows:

"Thank you, Mr. Speaker. I rise in support of SCR 777, HB 2046. Mr. Speaker, this measure seeks to fund our adult and community educational programs in our areas. This especially hits the Waipahu and Leeward Oahu areas where the Waipahu Community School for Adults serves hundreds of students per year. Many people—young and old and from all walks of life utilize the services provided at this institution and the several others throughout our State. This bill ensures that there will be a funding stream to help sustain needed services in our communities. Thank you."

Representative Johanson's written remarks in support of the measure are as follows:

"I rise in support of HB 2046. Adult and Community Schools, such as the Moanalua/Aiea Community School, play a critical role in our communities by providing opportunities for those who may not necessarily find the traditional K – 12 educational route ideal. These institutions provide a means for students with varying needs and interests to broaden their base of knowledge or pursue their high school degrees by enrolling in a GED Program. This measure would establish a stable funding base to ensure these schools and their programs continue to serve our communities. This measure ensures the entire spectrum of educational opportunities and a holistic educational continuum."

Representative Ichiyama's written remarks in support of the measure are as follows:

"Thank you, Mr. Speaker. I rise in support. This bill proposes to establish the Adult and Community Education Program Special Fund, which will provide financial support for the adult and community education program through legislative appropriations and supplemented by student fees. In an increasingly competitive economy, having an education is critical to securing a quality high-paying job. Adult educational programs provide a way for those outside the traditional age range of public school students to gain basic educational skills, complete a high school education and actively contribute to society.

"Adult and community education programs serve thousands of Hawaii residents. The community schools had 9,055 students enrolled in academic programs statewide during the 2010-11 school year. Impressively, 2,035 of these students received a diploma by the end of school year. Through adult education, thousands of community members continue their studies in an effort to better their quality of life. Our support for adult education is essential to keep education accessible to all and will help to put people back to work. Thank you very much, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2046, entitled: "A BILL FOR AN ACT RELATING TO ADULT AND COMMUNITY EDUCATION," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 778-12) recommending that H.B. No. 2127, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2127, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR HAWAII PREPARATORY ACADEMY," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 779-12) recommending that H.B. No. 2513, HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2513, HD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 788-12) recommending that H.B. No. 2248, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2248, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR HAWAII PACIFIC UNIVERSITY," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 792-12) recommending that H.B. No. 2481, as amended in HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2481, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 796-12) recommending that H.B. No. 2097, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2097, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST NOT-FOR-PROFIT CORPORATIONS THAT PROVIDE HEALTH CARE FACILITIES TO THE GENERAL PUBLIC," passed Third Reading by a vote of 51 ayes.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 800-12) recommending that H.B. No. 2736, as amended in HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2736, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks in support of the measure are as follows:

"Thank you, Mr. Speaker. I support this measure which extends drug-free zones to public housing.

"This bill expands the protections that we provide for our neighborhood schools and parks, to include State and federal public housing projects and complexes.

"This measure addresses the harsh, but indisputable reality of crystal methamphetamine and its disastrous effects upon our community and individuals within it. This measure is not about targeting a particular demographic, it's about strengthening our enforcement efforts to protect those most vulnerable in our community.

"This Legislature has made it consistently clear that if you go to our schools or enjoy our parks, we will do everything we can to keep you safe. We should similarly extend this protection to those living in our housing. Public housing should be safe for our residents and their families who live there."

Representative Johanson's written remarks in support of the measure are as follows:

"I rise in strong support of HB 2736. Public and low income housing should provide a safe and stable environment for those in need and provide opportunities to return to a path of self sufficiency. This is difficult to

achieve in an environment where individuals fear for their safety. Children are particularly vulnerable when drugs and drug-dealing become a daily aspect of their lives; simple activities such as playing outside become dangerous because of the specter of drugs. Our current laws protect children in schools and parks; they should also be protected in their home environments. I believe this bill promotes a safe, healthy environment in public and low-income housing and ensures an environment of opportunity and a path to self-sufficiency. I am in strong support of this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2736, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PROMOTION OF CONTROLLED SUBSTANCES," passed Third Reading by a vote of 51 ayes.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 801-12) recommending that H.B. No. 2609, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2609, HD 2, entitled: "A BILL FOR AN ACT RELATING TO COMMERCIAL DRIVER'S LICENSE," passed Third Reading by a vote of 51 ayes.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 803-12) recommending that H.B. No. 2776, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2776, HD 2, entitled: "A BILL FOR AN ACT RELATING TO LIABILITY INSURANCE," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 804-12) recommending that H.B. No. 2314, as amended in HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2314, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE TRANSIENT ACCOMMODATIONS TAX," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 805-12) recommending that H.B. No. 2078, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2078, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 807-12) recommending that H.B. No. 1765, HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1765, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL HISTORY RECORD CHECKS FOR COUNTY EMPLOYEES," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 808-12) recommending that H.B. No. 1858, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1858, entitled: "A BILL FOR AN ACT RELATING TO WORKFORCE INFORMATION," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 810-12) recommending that H.B. No. 2254, HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2254, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PRETAX TRANSPORTATION BENEFIT," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 811-12) recommending that H.B. No. 2491, HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2491, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 812-12) recommending that H.B. No. 2492, HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2492, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 813-12) recommending that H.B. No. 2578, HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2578, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ADVISORY COUNCIL FOR COMMUNITY SERVICES," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 814-12) recommending that H.B. No. 2439, as amended in HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2439, HD 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYER-UNION HEALTH BENEFITS TRUST FUND," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 816-12) recommending that H.B. No. 2576, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2576, HD 2, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY LAW," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 819-12) recommending that H.B. No. 1708, HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1708, HD 2, entitled: "A BILL FOR AN ACT RELATING TO MENTAL HEALTH," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 821-12) recommending that H.B. No. 2023, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2023, entitled: "A BILL FOR AN ACT RELATING TO THE CENTER FOR NURSING," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 823-12) recommending that H.B. No. 2368, HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2368, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Tsuji's written remarks in support of the measure are as follows:

"I am in support of this measure that establishes a medical residency program at the University of Hawaii at Hilo.

"Hawaii County continues to experience a severe shortage of physicians, and this medical residency program is a strategy to attract physicians to the communities where their skills are needed most, specifically the medically needy and underserved rural populations.

"I serve on the Hilo Medical Center Foundation Board of Trustees. The mission of the Foundation is "to support the Hilo Medical Center with projects that benefit the greater community." Funding of the Hilo Medical Residency Program is critically needed now to ensure that it is sustained through its accreditation process, which will take almost two years.

"Hawaii Island's rural communities need more doctors and the Hilo Medical Residence Program and this Bill would help to alleviate the current physician and nursing shortage."

Representative Nakashima's written remarks in support of the measure are as follows:

"The Hilo Family Residency program sponsored by the Hilo Medical Center in cooperation with the University of Hawai'i, John A. Burns School of Medicine is a critical first step in our goal to provide a sufficient number of doctors to care for Hawaii residents and our aging *kupuna* in the islands. Studies show that medical school graduates often stay to practice in the region that they have completed their residency programs. As residents, they become familiar with their surroundings, develop networks, and become members of their community. As members of the community, these doctors begin to grow roots. Until we increase the opportunity for those roots to be grown here in the islands, we will continue to graduate medical students from our University who will be forced to leave the islands to complete their training elsewhere. The Hilo pilot should serve as a model and eventually a budget line item that will demonstrate the State's commitment to provide for the health care needs of our citizens."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2368, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII AT HILO," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 829-12) recommending that H.B. No. 2664, as amended in HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2664, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks in support of the measure are as follows:

"Thank you, Mr. Speaker. I support H.B. 2664, HD1 which would establish a public-private partnership in a county with a population between one hundred thousand and one hundred seventy thousand to develop an integrated system to deliver health care across the spectrum of care and particularly to address the current challenge in acute care. This



measure supports and recognizes the interconnections in our public and private continuum of care.

"Currently, hospitals do not have the capacity to care for Hawaii's citizens in need of acute, and post-acute care. They have long wait-lists for acute care, and must usher out those in need of post-acute care prematurely in order to free up beds. Entering into public-private partnerships is a cost-effective way to expand our hospitals' capabilities and to better use existing services and programs in our community. It will provide for healthcare infrastructure that is stable in the long term. This bill fosters synergy and opportunities for growth for both healthcare organizations in a partnership. It ensures that hospital partnerships will have the resources to provide more patients with needed services, including the critically ill. This pilot opportunity will move us forward, better able as a community to face the expected healthcare crisis we face with a growing and aging population in the future."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2664, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH CARE COORDINATION," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 830-12) recommending that H.B. No. 2568, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2568, HD 2, entitled: "A BILL FOR AN ACT RELATING TO BACKGROUND CHECKS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 834-12) recommending that H.B. No. 2268, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2268, HD 2, entitled: "A BILL FOR AN ACT RELATING TO SMALL BUSINESS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 846-12) recommending that H.B. No. 1879, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1879, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE ONE CALL CENTER," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 847-12) recommending that H.B. No. 2162, HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2162, HD 1, entitled: "A BILL FOR AN ACT RELATING TO UNIFORM COMMERCIAL CODE ARTICLE 9," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 848-12) recommending that H.B. No. 2242, HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2242, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Awana's written remarks in support of the measure are as follows:

"Mr. Speaker, I rise in strong support. This measure is necessary for the sustainability of agriculture in Hawaii. This measure requires continuing education for veterinarians and in doing so, improving the quality of care

for Hawaii's livestock. Veterinarians are in short supply and this measure will ensure that those who are here are kept abreast of the advances in technology and alternatives that may help these doctors. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2242, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTINUING EDUCATION FOR VETERINARIANS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 850-12) recommending that H.B. No. 2508, as amended in HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2508, HD 1, entitled: "A BILL FOR AN ACT RELATING TO COLLECTION AGENCIES," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 854-12) recommending that H.B. No. 626, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 626, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII UNIFORM COLLABORATIVE LAW ACT," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Hanohano voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 855-12) recommending that H.B. No. 1611, HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1611, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks in support of the measure are as follows:

"Thank you, Mr. Speaker. I stand in support of HB1611, HD2, a measure that increases the effectiveness and efficiency of State and county boards, while encouraging transparency. Maui County Council members, as well as the City and County of Honolulu's Department of Planning and Permitting, cited the need to remove unnecessary barriers that prevent key community leaders from participating in planning in their communities. They wanted to change the law to clarify that public officials would be able to attend public gatherings, community events, and professional association conferences.

"This bill allows board members to attend public gathering and community events, so long as the board is not exercising a function relative to that matter, and permits attendance at professional-association conferences and professional-development seminars, so long as the board members file a public report. Additionally, this bill allows attendance by board members, so long as the board members do not engage in ex parte communications at a public gathering or community event.

"The Sunshine Law was intended to ensure that official decision making is made in the public eye with proper and timely notice to the community. It should not be a tool that allows public officials to duck their responsibility to respond to community questions about important issues. This proposal is a balanced approach that allows a community to get answers from their public officials at public gatherings and community events."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1611, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE SUNSHINE LAW," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 856-12) recommending that H.B. No. 1672, HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1672, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks in support of the measure are as follows:

"Thank you, Mr. Speaker. I support this common sense, fairness measure which authorizes monetary awards for individuals providing information for Department of Taxation administrative or judicial actions for tax violations. Under this proposal, whistleblowers can receive awards of 15% to 30% of the amount collected based on contribution of the individual's information, as determined by Tax Director.

"This new whistleblower program is modeled on existing provisions of federal law. Based on federal experience, these bounties will improve the collection of sums owed to the State and reduce the burden on honest taxpayers by making sure that everyone pays their fair share."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1672, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Souki voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 857-12) recommending that H.B. No. 1695, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1695, pass Third Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks in support of the measure are as follows:

"Thank you, Mr. Speaker. I support this common sense bill which prohibits the Department of Taxation from unfairly and artificially stacking the different penalties available under State tax laws on the same violation. This "anti-penalty-stacking" measure prevents penalties for substantial understatements or misstatements and for erroneous claims for refund or credit from being added to tax underpayments on which the Department of Taxation has already imposed certain other penalties. This practice artificially increases the amounts supposedly owed by a taxpayer on a violation and can prevent efficient and timely resolution of such violations.

"This measure conforms Hawaii's treatment of penalties to federal law by prohibiting the imposition of penalties for under-withholding on top of penalties for a disallowed deduction or other claim that would have reduced tax. Under this measure, a tax official would not be allowed to disallow an item, impose a penalty for that violation and then "stack" on top of that penalty an additional penalty for failing to withhold enough for the newly determined tax liability. The existing penalties for different violations are fair so there is no ground for imposing a second penalty for the same miscalculation simply because a higher amount provides more leverage against the taxpayer. For reasons of fairness and consistency with federal tax policy, this measure should become law."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1695, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 858-12) recommending that H.B. No. 2404, HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2404, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks in support of the measure are as follows:

"Thank you, Mr. Speaker. I support this measure which brings another aspect of Hawaii government into the reality and efficiency of the digital age. This proposal allows any board as defined under section 92-2, Hawaii Revised Statutes, electronically post meeting minutes on its website, or if it does not have a website, on the official internet website of the State of Hawaii or the official website of the appropriate county. Hard copies will still be available upon request.

"The measure will increase transparency and public participation. The internet cannot be ignored and indeed may be the most cost effective way to disseminate information to the public. This bill will make every board's business just a mouse click away for a large portion of the State's population."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2404, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC INFORMATION," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 860-12) recommending that H.B. No. 2574, HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2574, HD 1, entitled: "A BILL FOR AN ACT RELATING TO NOTIFICATION OF CHAPTER 91 HEARINGS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 861-12) recommending that H.B. No. 2841, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2841, pass Third Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks in support of the measure are as follows:

"Thank you, Mr. Speaker. I support H.B. 2841 which enacts the Uniform Interstate Depositions and Discovery Act. This law recognizes that in the modern age, our country and our legal proceedings are closer and more interconnected than in the past when distance, time zones and costs made interstate business and travel rarer. Americans and American commerce move much more rapidly to and from different states due to improvements in communications and travel. This bill creates an efficient and cost-effective process for litigants to depose out of state individuals, and obtain discoverable materials that are found out of state. It also sets clear rules in event of these situations. Uniform procedures are now necessary as the amount of litigation involving individuals and documents which are located outside of the state has increased. This bill is a much needed asset to Hawaii citizens seeking justice through our judicial system, and will improve the State in terms of its ability to dispense justice."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2841, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM INTERSTATE DEPOSITIONS AND DISCOVERY ACT," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 864-12) recommending that H.B. No. 2883, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2883, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Pine's written remarks in support of the measure are as follows:

"Thank you, Mr. Speaker. I rise in strong support on HB 2883 HD2, Relating to Makaha Valley, which requires the Department of Land and Natural Resources to conduct a flood study for the Valley.

"Makaha Valley's drainage system is in desperate need of repairs. Over the years, heavy rains have caused it to fail again and again.

"In November of 1996, a devastating landslide occurred. After six hours of heavy rain, two waterfalls of rocks and mud flooded the first floor of the Makaha Valley Towers and buried or swept away sixty cars. In February of 1997 more breaches were made. In December of 2008, another deluge caused severe flood damage and erosion of the Waikele River Bridge, as well as homes and businesses in the area.

"Rather than wait with our fingers crossed for the next inevitable breach in the system, resulting in costly damage both to property and possibly loss of life, this study will give recommendations to control the storm drainage and reduce the recurring flooding, protecting residents and businesses in the area. Until then, Makaha Valley residents will be at the mercy of much needed protection by the Legislature. They deserve our help and support.

"For these reasons, I am in strong support of this bill. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2883, HD 2, entitled: "A BILL FOR AN ACT RELATING TO MAKAHA VALLEY," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 866-12) recommending that H.B. No. 2595, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2595, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Nakashima's written remarks in support of the measure are as follows:

"Mr. Speaker, the Koloko Dam incident on Kauai led to increased inspection and new standards for dams in Hawaii. Many of these dams are really agricultural earthen reservoirs. They do not meet the same characteristic dangers that were present in the Koloko situation, and yet they are required to meet the same stringent standards that we apply to such dams as the Hoover. Mr. Speaker, in my opinion, we must not decommission these water sources that help to ensure crop success in times of low rainfall or drought. This bill will seek to provide land owners with these dams on their property to have a means of financing that would allow them to upgrade and maintain their dams as a critical piece of maintaining and growing agricultural production in Hawaii."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2595, HD 2, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST DAM AND RESERVOIR OWNERS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 868-12) recommending that H.B. No. 2820, HD 2, as amended in HD 3, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2820, HD 3, pass Third Reading, seconded by Representative Evans.

Representative Hanohano's written remarks in support of the measure are as follows:

*"Kako'o loa. 'O kēia pila e pili ana nā loko i'a 'o ka pae 'āina 'O Hawai'i nei. Maika'i kēia pila no ka mea e ho'o pa'a nā kanawai no nā loko i'a. Mahalo ia ko'u mau hoa luna maka'āinana e kako'o kēia pila. Mahalo.*

"Strong support. This bill is about the fishponds found in the State of Hawai'i. This is an excellent bill because it makes fishpond law permanent. Thank you to my colleagues who support this bill. Thank you."

Representative Nakashima's written remarks in support of the measure are as follows:

"In an attempt to address the concerns expressed by residents of Hawaii Island, and with the proliferation of open ocean aquaculture ventures off of our coasts, I made inquiries with opponents for suggestions on how we would address their concerns. At the time, the only option presented was that perhaps we could encourage the use of native Hawaiian fishponds as an alternative to the open sea cages. Based on this suggestion, I proposed HB 2092, part of which has been incorporated into this legislation that would allow for an expedited process for the leasing State lands to expedite the reconstruction of these native Hawaiian fishponds as a viable aquaculture resource."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2820, HD 3, entitled: "A BILL FOR AN ACT RELATING TO HAWAIIAN FISHPONDS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 869-12) recommending that H.B. No. 2871, HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2871, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE WEST MAUI OCEAN RECREATION MANAGEMENT AREA," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 870-12) recommending that H.B. No. 2594, HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2594, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Tsuji's written remarks in support of the measure are as follows:

"This measure instructs that a constitutional amendment question be placed on the ballot asking/specifying that the proceeds from the sale of the special purpose revenue bonds will be used to assist dam and reservoir owners to make their facilities compliant with current safety standards.

"Dams and reservoirs provide many public benefits as a potential resource for agriculture, water supply, and flood control. These facilities enable the storage of water to better weather periods of drought, which continue to plague areas of the State. They are absolutely integral to our ability to continue to keep agriculture activity in the State. Financial incentives - such as this Bill would provide - to improve their facilities increase the likelihood that more of these facilities will be kept in continued operation."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2594, HD 2, entitled: "A BILL FOR AN ACT PROPOSING AN AMENDMENT TO ARTICLE VII, SECTION 12, OF THE HAWAII STATE CONSTITUTION TO ASSIST DAM AND RESERVOIR OWNERS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 871-12) recommending that H.B. No. 2589, HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2589, HD 2, entitled: "A BILL FOR AN ACT RELATING TO VESSELS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 874-12) recommending that H.B. No. 1724, as amended in HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1724, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Pine's written remarks in support of the measure are as follows:

"Thank you, Mr. Speaker. At this time, I rise in strong support of this measure. This measure would reduce the delay in getting waitlisted patients discharged from acute care and into long-term care.

"It would allow the Department of Human Services to make a preliminary, presumptive determination that a waitlisted patient who applied for Medicaid assistance is eligible for coverage.

"We need to address the fact that at any given time in our State, there are about 150 patients in acute care settings who are medically ready to be discharged, but cannot be, due to various barriers.

"One of those barriers is the delay in Medicaid eligibility determinations.

"According to a report to the legislature by the Healthcare Association of Hawaii, the Medicaid eligibility and re-eligibility application process can take several months, and in some cases even more than a year.

"This is a costly delay that not only depletes the financial resources of the acute care hospital, but also adversely impacts the patient's quality of life.

"In contrast, the presumptive eligibility approach will maximize the use of resources that are currently in short supply. Taking action based on a patient's presumptive eligibility will free up precious bed space in acute care facilities for others in need.

"For these reasons, this measure is worthy and deserves your consideration and support. Thank you, Mr. Speaker, for the opportunity to express my strong support to this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1724, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH AND HUMAN SERVICES," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 876-12) recommending that H.B. No. 2685, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2685, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HUMAN SERVICES," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 878-12) recommending that H.B. No. 1905, HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1905,

HD 2, entitled: "A BILL FOR AN ACT RELATING TO HUMAN SERVICES," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 881-12) recommending that H.B. No. 2547, HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2547, HD 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HUMAN SERVICES," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 882-12) recommending that H.B. No. 1698, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1698, HD 1, entitled: "A BILL FOR AN ACT RELATING TO QUALIFIED COMMUNITY REHABILITATION PROGRAMS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 883-12) recommending that H.B. No. 2493, HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2493, HD 1, entitled: "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING COST ITEMS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 884-12) recommending that H.B. No. 2495, HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2495, HD 1, entitled: "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING COST ITEMS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 885-12) recommending that H.B. No. 2487, as amended in HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2487, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 886-12) recommending that H.B. No. 2573, as amended in HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2573, HD 1, entitled: "A BILL FOR AN ACT RELATING TO APPRENTICESHIP," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 887-12) recommending that H.B. No. 2584, HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2584, HD 1, entitled: "A BILL FOR AN ACT RELATING TO NOTICE OF WORKERS' COMPENSATION INSURANCE," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 888-12) recommending that H.B. No. 2483, HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2483, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ENVIRONMENT," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 893-12) recommending that H.B. No. 2881, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2881, HD 2, entitled: "A BILL FOR AN ACT RELATING TO GREENWAYS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 896-12) recommending that H.B. No. 2181, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2181, entitled: "A BILL FOR AN ACT RELATING TO VACANCIES," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 897-12) recommending that H.B. No. 2808, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2808, pass Third Reading, seconded by Representative Evans.

Representative Hanohano's written remarks in support of the measure are as follows:

*"Kako'o loa. 'O kēia pila e pili ana ka 'āina ho'opulapula 'O Kikala-Keokea no na po'e ilihune no ka lua'i pele. 'O kēia pila e kokua ana na po'e e loa'a ka pa'a 'āina mai ke ke'ena waiwai. Mahalo iā ko'u mau hoa luna maka'āinana e kako'o kēia pila. Aloha pumehana.*

"Strong support. This bill pertains to the Kikala-Keokea homesteads for the lava flow victims. This bill helps those with homestead leases from Department of Land and Natural Resources. Thank you to my colleagues who support this bill. Warm love."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2808, entitled: "A BILL FOR AN ACT RELATING TO KIKALA-KEOKEA," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 904-12) recommending that H.B. No. 2179, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2179, entitled: "A BILL FOR AN ACT RELATING TO THE AUDITOR," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 907-12) recommending that H.B. No. 2262, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2262, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ENERGY," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Hanohano voting no.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 911-12) recommending that H.B. No. 2030, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2030, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Awana's written remarks in support of the measure are as follows:

"Mr. Speaker, I rise in strong support. This measure takes a common sense approach at mandating drivers to move one lane over or slow down when an emergency vehicle is assisting a motorist. All other states have already implemented this or a similar measure. This bill is long overdue and to my dismay, lives have already been lost. As we all know, Officer Garret Davis was struck by a speeding vehicle a few months ago. I ask that the Members of this Body see the benefit of this measure. We cannot wait until another life is lost before action is taken. Thank you, Mr. Speaker."

Representative Aquino's written remarks in support of the measure are as follows:

"Thank you, Mr. Speaker. In support of HSCR 911. Mr. Speaker, this bill is called the "Move Over" bill. What that means Mr. Speaker is that this measure would require drivers to vacate the lane closest to an emergency vehicle that would provide assistance to another vehicle or person when driving on a highway. This would provide the needed safety precaution to avoid injury and possible death of emergency responders who are doing their jobs. We need to protect our first emergency responders who in turn, put their lives on the line day in, day out. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2030, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE STATEWIDE TRAFFIC CODE," passed Third Reading by a vote of 51 ayes.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 913-12) recommending that H.B. No. 2628, HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2628, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE RESIDENTIAL LANDLORD-TENANT CODE," passed Third Reading by a vote of 51 ayes.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 915-12) recommending that H.B. No. 1926, HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1926, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ASSAULTS AGAINST MEDICAL SERVICES PROVIDERS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 919-12) recommending that H.B. No. 2875, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2875, pass Third Reading, seconded by Representative Evans.

Representative Hanohano's written remarks in support of the measure are as follows:

*"Kako'o loa. 'O kēia pila e pili ana ka 'ōlelo makuahine. E ola mau ka 'ōlelo makuahine. Mahalo iā ko'u mau hoa luna maka'āinana e kako'o kēia pila. Nā ka pomaika'i iā kākou.*

"Strong support. This bill pertains to the Hawaiian Language. Long live the Hawaiian Language. Thank you to my colleagues who support this bill. Blessings to all of us."

Representative Awana's written remarks in support of the measure are as follows:

"Mr. Speaker, I rise in support. Hawaiian is a recognized language of our State. In the Department of Education, Hawaiian Immersion Programs exist. This measure requires assessments to be administered in the Hawaiian language. For too long, the challenge with the Hawaiian Immersion program has been the inability for proper translation. Assessments have been administered from a western perspective. It is my hope that this measure gives our host culture the recognition and dignity that they deserve by respecting the language and providing the network which is needed to keep their language alive. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2875, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAIIAN LANGUAGE IMMERSION PROGRAM," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 926-12) recommending that H.B. No. 2257, HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2257, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Aquino's written remarks in support of the measure are as follows:

"Mr. Speaker, in strong support. This legislation is consistent with the ongoing efforts by the U.S. Department of Defense and First Lady, Mrs. Michelle Obama that encourages states and employers to provide employment opportunities for military spouses—many of whom are qualified to fill vacancies in the local workforce.

"Many occupations require a state license, often with state-specific conditions and processes which can cause lengthy delays for military spouses moving between states. Due to these delays and the expenses involved in re-licensure, many spouses decide not to practice in their professions. This is a financial and career choice issue for many military members and their spouses which impact their desire to stay in military service.

"According to the 2008 Defense Manpower Data Center Status of Force Survey of Active Duty Members, 68% of married service members reported their spouses' ability to maintain a career impacts their decisions to remain in the military by a large or moderate extent. The report also mentions that 77% of military spouses want or need to work. Military families relocate every two to three years on the average. This measure proposes to require licensing boards to allow applicants to demonstrate competency in lieu of work experience required and to permit DCCA to establish procedures to expedite the issuance of licenses, certifications or permits to military spouses. It would provide for these individuals to enter our workforce and continue their careers when moving to Hawaii. Thank you."

Representative Johanson's written remarks in support of the measure are as follows:

"I rise in support of HB 2257. I believe the measure before us has the ability to lessen the burden on military families relocating to Hawaii, easing the transition by allowing for more professional opportunities of the spouses of our armed service members. I fully support this measure and the opportunities it may create for our military families."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2257, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONAL AND VOCATIONAL LICENSING," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 927-12) recommending that H.B. No. 1968, as amended in HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1968, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CIGARETTES," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 931-12) recommending that H.B. No. 2273, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2273, entitled: "A BILL FOR AN ACT RELATING TO CONCUSSIONS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 933-12) recommending that H.B. No. 2374, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2374, pass Third Reading, seconded by Representative Evans.

Representative Aquino's written remarks in support of the measure are as follows:

"In support of HB 2374, HSCR 933. Mr. Speaker, this measure would transfer the Office of Language Access (OLA) from the Department of Labor and Industrial Relations to the Department of Health. The main purpose of OLA is to provide needed access to state programs and services by the many individuals who speak English as a second language. I believe this would enable OLA to perform its duties and responsibilities more effectively and efficiently for the targeted populations. It would also allow better collaboration between State entities to deliver services that are currently in high need. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2374, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF LANGUAGE ACCESS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 934-12) recommending that H.B. No. 2320, HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2320, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HIGHWAY SAFETY," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 935-12) recommending that H.B. No. 2453, as amended in HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2453, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks in support of the measure are as follows:

"Honorable Speaker, I support HB 2453 HD1 which consolidates in the Department of Transportation the State identification program with the driver license program. This measure moves Hawaii closer to making sure our residents will be able to travel freely and do business without interruption by ensuring that Hawaii Drivers Licenses and Hawaii State IDs comply with new Federal requirements for official government identification. This bill would consolidate the two functions which are currently being issued by two different State agencies. The Department of the Attorney General would no longer be responsible for the issuance of

non-driver license identification cards. Henceforth, the counties which currently issue driver licenses would assume this function which will ease access to valid government IDs easier for our residents.

"The federal government enacted REAL ID Act 2005 which mandated the kinds of documentation required and procedures to be followed in issuing driver licenses and non-driver identification cards. The deadline for the implementation of the REAL ID Act is January 15, 2013. Failure to comply will result in Hawaii's people not being recognized by federal agencies and other states, thus preventing individuals to travel and to do business with the federal government and other states. HB 2453 HD1 will make sure all data collected and stored for both Drivers Licenses and for State Identification cards are managed by one State department.

"Act 35, Session Laws of Hawaii 2011, mandated the Department of the Attorney General to work with the Director of Transportation and the appropriate county agencies, to allow county employees to issue certificates of identification at the same locations where driver licenses are issued. Coordination amongst the two programs is critical as the REAL ID Act must be implemented on a timely basis so that Hawaii's citizen can continue to travel and do business without interruption."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2453, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CIVIL IDENTIFICATION," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 939-12) recommending that H.B. No. 2539, HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2539, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ADULT ABUSE PERPETRATOR CHECKS FOR CHILD CARE PROVIDERS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 940-12) recommending that H.B. No. 2334, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2334, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Hanohano's written remarks in support of the measure are as follows:

*"Kako'o loa. 'O kēia pila e kokua ana ka Hui Ho'omōhala Wahi Noho Like O Ka Po'e mai ka Moku 'O Keave no kona kukulu hale no nā kupuna. Mahalo iā ko'u mau hoa luna maka'ānana e kako'o kēia pila. Nā ka maluhia kā kākou.*

"Strong support. This bill assists the Hawai'i Island Community Development Corporation in building a senior housing project. Thank you to my colleagues who support this bill. Peace to all of us."

Representative Nakashima's written remarks in support of the measure are as follows:

"The Hawaii Island Community Development Corp. is seeking a special purpose revenue bond to build a new facility to house the Hawaii Island Adult Day Care program. This program, the largest of its kind in the State, is currently housed in the old and partially condemned Hilo Hospital Facility. This is a proactive measure by the Board of Directors of the Hawaii Island Adult Care program who realize that they are just an earthquake away from becoming homeless and possibly months away from being able to reopen due to the permitting requirements that must be satisfied before a new facility could be opened. This project will be on the grounds of a new HUD elderly housing project and will mesh nicely with a future planned assisted living facility. This cohabitates a number of elderly services that becomes more important each day with the aging of our population."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2334, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST THE HAWAII ISLAND COMMUNITY DEVELOPMENT CORPORATION," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 941-12) recommending that H.B. No. 2249, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2249, HD 2, entitled: "A BILL FOR AN ACT RELATING TO LANDFILLS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 942-12) recommending that H.B. No. 1941, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1941, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Tsuji's written remarks in support of the measure are as follows:

"I am in support of this bill which makes an appropriation to establish agricultural inspection biosecurity facilities and related infrastructure at various airports and harbor sites statewide and the Kamuela Vacuum Cooling Plant.

"Invasive species and diseases are one of the greatest threats to Hawaii's economy, agriculture, natural environment, and the health and lifestyle of its people. Preventing the establishment of a new pest is much more economical than eradicating a pest or, even worse, controlling it indefinitely once it becomes established here.

"It is imperative to have properly designed and controlled facilities for consolidation, inspection and, if necessary, treatment of cargo. This is essential to an effective biosecurity strategy, as well as to the efficient movement of goods into and out of the islands. This bill will strengthen and support Hawaii's agricultural industry and this is consistent with the State's goal of increasing self sufficiency and sustainability."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1941, HD 2, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR AGRICULTURAL INSPECTION FACILITIES AND RELATED INFRASTRUCTURE," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 943-12) recommending that H.B. No. 2668, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2668, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Tsuji's written remarks in support of the measure are as follows:

"Mr. Speaker, I am in support of this bill which would amend the Important Agricultural Land (IAL) tax credit to create additional provisions to support Hawaii's agricultural industry.

"This bill establishes tax credits for drought mitigation projects that service important agricultural lands. We believe that this tax credit will assist IAL agricultural operations in the development and effective utilization of drought mitigation infrastructure and facilities to enhance the cost effective irrigation of crops and livestock. In addition, these drought mitigation projects will also assist in providing much needed irrigation water for these IAL agricultural operations during dry weather periods,

which will add to the long term viability and sustainability of these agricultural operations."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2668, HD 2, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 945-12) recommending that H.B. No. 2502, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2502, HD 2, entitled: "A BILL FOR AN ACT RELATING TO MORTGAGE SERVICERS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 947-12) recommending that H.B. No. 2644, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2644, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 954-12) recommending that H.B. No. 2494, HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2494, HD 1, entitled: "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING COST ITEMS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 955-12) recommending that H.B. No. 1744, as amended in HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1744, HD 1, entitled: "A BILL FOR AN ACT RELATING TO COMPENSATION," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 956-12) recommending that H.B. No. 2361, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2361, HD 2, entitled: "A BILL FOR AN ACT RELATING TO DEBT COLLECTION," passed Third Reading by a vote of 51 ayes.

### THIRD READING

#### H.B. No. 2623, HD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, H.B. No. 2623, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSFER OF PROPERTY," passed Third Reading by a vote of 51 ayes.

#### H.B. No. 1788, HD 1:

Representative Chong moved that H.B. No. 1788, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks in support of the measure are as follows:

"Thank you, Mr. Speaker. I stand in support of this bill, which addresses issues relating to cybercrime. Specifically, this bill amends certain computer crime statutes related to Computer Fraud and Unauthorized Computer Access, as well as amends the definition of "computer crime" to include "phishing" and "spyware" activities.

"This bill addresses the realities of modern cybercrime in a society increasingly interconnected to and reliant upon, the internet for storage and transfer of valuable and confidential information. Hawaii's computer crime statutes have not been amended since their enactment in 2001, and this bill will provide more effective tools for enforcement and prosecution of computer crime offenses.

"Given the rapid advancement in modern technologies, this bill seeks to incorporate new cybercriminal methods such as "phishing" and "spyware" into existing offenses and definitions. These amendments focus upon functionality of a method, as opposed to the specific types of terminology or technology related to it.

"With the rapid proliferation of advanced and mobile electronic devices over the last decade, it is now possible for practically anyone, anywhere, to engage in online criminal activity, at any time. This bill reflects that understanding by heightening the severity of certain computer crime offenses, in an effort to deter such activity by would-be offenders, and also emphasize to the public that these types of activities will not be tolerated."

The motion was put to vote by the Chair and carried, and H.B. No. 1788, HD 1, entitled: "A BILL FOR AN ACT RELATING TO COMPUTER CRIME," passed Third Reading by a vote of 51 ayes.

#### H.B. No. 2295, HD 1:

Representative Chong moved that H.B. No. 2295, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks in support of the measure are as follows:

"Thank you, Mr. Speaker. I stand in support of this bill, which creates the petty-misdemeanor offense of harassment by cyberbullying. Cyberbullying is basically harassment thru electronic communication, which is sent or posted with the intent to hurt, annoy or alarm another person.

"According to the National Crime Prevention Council, cyberbullying is a problem that affects almost half of all American teens, and causes victims of this type of harassment to have lower self-esteem, increased suicidal ideation, and a variety of deleterious emotional reactions or responses. With the rapid growth and development in digital technology and electronic communication, this bill provides just one component in a broader effort to address the growing problem of harassment and bullying in our schools and communities. The Department of Education is similarly looking at administrative means by which to address the problem.

"Though statutes addressing harassment through electronic communication are presently enacted in numerous jurisdictions across the United States (including Hawaii), there is currently no specific law addressing cyberbullying directly. New York, Missouri, Rhode Island and Maryland, as well as the United States Congress, however, are discussing the issue under proposed legislation.

"This bill allows Hawaii to take part in the discussion happening across the United States to address this issue. And while the precise wording and applicability of this bill may change as the conversation continues through our legislative process, its intent and importance will not."

The motion was put to vote by the Chair and carried, and H.B. No. 2295, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CYBERBULLYING," passed Third Reading by a vote of 51 ayes.



**H.B. No. 2679, HD 1:**

On motion by Representative Chong, seconded by Representative Evans and carried, H.B. No. 2679, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ANIMAL CRUELTY," passed Third Reading by a vote of 51 ayes.

**H.B. No. 2296, HD 1:**

On motion by Representative Chong, seconded by Representative Evans and carried, H.B. No. 2296, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ANIMAL WELFARE," passed Third Reading by a vote of 51 ayes.

**H.B. No. 2658, HD 1:**

On motion by Representative Chong, seconded by Representative Evans and carried, H.B. No. 2658, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CORPORATIONS," passed Third Reading by a vote of 51 ayes.

**H.B. No. 1838:**

On motion by Representative Chong, seconded by Representative Evans and carried, H.B. No. 1838, entitled: "A BILL FOR AN ACT RELATING TO STATE BONDS," passed Third Reading by a vote of 51 ayes.

**H.B. No. 1181, HD 1:**

On motion by Representative Chong, seconded by Representative Evans and carried, H.B. No. 1181, HD 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT," passed Third Reading by a vote of 51 ayes.

**H.B. No. 1980, HD 1:**

On motion by Representative Chong, seconded by Representative Evans and carried, H.B. No. 1980, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Marumoto voting no.

**H.B. No. 2605, HD 1:**

On motion by Representative Chong, seconded by Representative Evans and carried, H.B. No. 2605, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CONFORMITY OF THE HAWAII INCOME TAX LAW TO THE INTERNAL REVENUE CODE," passed Third Reading by a vote of 51 ayes.

**H.B. No. 1705, HD 1:**

On motion by Representative Chong, seconded by Representative Evans and carried, H.B. No. 1705, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 51 ayes.

**H.B. No. 2347:**

On motion by Representative Chong, seconded by Representative Evans and carried, H.B. No. 2347, entitled: "A BILL FOR AN ACT RELATING TO GENERAL OBLIGATION BONDS FOR REVENUE-PRODUCING UNDERTAKINGS," passed Third Reading by a vote of 51 ayes.

At 9:15 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2150, HD 2  
H.B. No. 2587, HD 1  
H.B. No. 2537, HD 2  
H.B. No. 2441, HD 2  
H.B. No. 2591, HD 2  
H.B. No. 2533, HD 2

H.B. No. 2312, HD 2  
H.B. No. 2564, HD 1  
H.B. No. 2113, HD 1  
H.B. No. 2013, HD 2  
H.B. No. 2740, HD 1  
H.B. No. 1925, HD 1  
H.B. No. 1964, HD 2  
H.B. No. 2600, HD 2  
H.B. No. 2601, HD 3  
H.B. No. 2639, HD 2  
H.B. No. 2642, HD 2  
H.B. No. 1874  
H.B. No. 2409  
H.B. No. 2100, HD 2  
H.B. No. 2093, HD 2  
H.B. No. 1942, HD 2  
H.B. No. 1943, HD 2  
H.B. No. 280, HD 1  
H.B. No. 2244, HD 1  
H.B. No. 2614, HD 2  
H.B. No. 2684, HD 2  
H.B. No. 2380, HD 2  
H.B. No. 2602, HD 2  
H.B. No. 1777, HD 1  
H.B. No. 1892  
H.B. No. 2174, HD 1  
H.B. No. 2454, HD 1  
H.B. No. 2046  
H.B. No. 2127  
H.B. No. 2513, HD 1  
H.B. No. 2248, HD 2  
H.B. No. 2481, HD 1  
H.B. No. 2097, HD 2  
H.B. No. 2736, HD 1  
H.B. No. 2609, HD 2  
H.B. No. 2776, HD 2  
H.B. No. 2314, HD 1  
H.B. No. 2078, HD 2  
H.B. No. 1765, HD 2  
H.B. No. 1858  
H.B. No. 2254, HD 1  
H.B. No. 2491, HD 1  
H.B. No. 2492, HD 1  
H.B. No. 2578, HD 1  
H.B. No. 2439, HD 1  
H.B. No. 2576, HD 2  
H.B. No. 1708, HD 2  
H.B. No. 2023  
H.B. No. 2368, HD 1  
H.B. No. 2664, HD 1  
H.B. No. 2568, HD 2  
H.B. No. 2268, HD 2  
H.B. No. 1879, HD 2  
H.B. No. 2162, HD 1  
H.B. No. 2242, HD 1  
H.B. No. 2508, HD 1  
H.B. No. 626  
H.B. No. 1611, HD 2  
H.B. No. 1672, HD 1  
H.B. No. 1695  
H.B. No. 2404, HD 1  
H.B. No. 2574, HD 1  
H.B. No. 2841  
H.B. No. 2883, HD 2  
H.B. No. 2595, HD 2  
H.B. No. 2820, HD 3  
H.B. No. 2871, HD 1  
H.B. No. 2594, HD 2  
H.B. No. 2589, HD 2  
H.B. No. 1724, HD 1  
H.B. No. 2685, HD 2  
H.B. No. 1905, HD 2  
H.B. No. 2547, HD 1

H.B. No. 1698  
 H.B. No. 2493, HD 1  
 H.B. No. 2495, HD 1  
 H.B. No. 2487, HD 1  
 H.B. No. 2573, HD 1  
 H.B. No. 2584, HD 1  
 H.B. No. 2483, HD 1  
 H.B. No. 2881, HD 2  
 H.B. No. 2181  
 H.B. No. 2808  
 H.B. No. 2179  
 H.B. No. 2262, HD 2  
 H.B. No. 2030, HD 2  
 H.B. No. 2628, HD 2  
 H.B. No. 1926, HD 1  
 H.B. No. 2875  
 H.B. No. 2257, HD 1  
 H.B. No. 1968, HD 1  
 H.B. No. 2273  
 H.B. No. 2374  
 H.B. No. 2320, HD 2  
 H.B. No. 2453, HD 1  
 H.B. No. 2539, HD 1  
 H.B. No. 2334, HD 2  
 H.B. No. 2249, HD 2  
 H.B. No. 1941, HD 2  
 H.B. No. 2668, HD 2  
 H.B. No. 2502, HD 2  
 H.B. No. 2644, HD 2  
 H.B. No. 2494, HD 1  
 H.B. No. 1744, HD 1  
 H.B. No. 2361, HD 2

H.B. No. 2623, HD 1  
 H.B. No. 1788, HD 1  
 H.B. No. 2295, HD 1  
 H.B. No. 2679, HD 1  
 H.B. No. 2296, HD 1  
 H.B. No. 2658, HD 1  
 H.B. No. 1838  
 H.B. No. 1181, HD 1  
 H.B. No. 1980, HD 1  
 H.B. No. 2605, HD 1  
 H.B. No. 1705, HD 1  
 H.B. No. 2347

At this time, the Chair announced:

"Members, please remember to submit to the Clerk your list of House Bills on the Consent Calendar for which you will be inserting written comments in support or in opposition. This must be done by the adjournment of today's Floor session. This is if you will be submitting written comments for any of the bills we just voted on."

#### ORDINARY CALENDAR

#### UNFINISHED BUSINESS

Representative Tsuji, for the Committee on Agriculture presented a report (Stand. Com. Rep. No. 690-12) recommending that H.B. No. 2809, as amended in HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2809, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Ching rose to speak in support of the measure, stating:

"Mr. Speaker, I rise in strong support. Mr. Speaker I'm so proud to support this measure, Kalo Appreciation Month, and I think that our Chamber is so wise to push forth measures like this, that help our people,

that recognize a need in our communities, in our State, and are willing to come together and are willing to support each other, because we support our people because we know that the people come first. The people come first, before people in this Chamber. We serve the people.

"And I rise in strong support because this bill, Kalo Appreciation Month, and I really commend the introducers, will increase public awareness about the significance of *kalo*, taro. Encourage its cultivation. Encourage its consumption. The Office of Hawaiian Affairs, the Association of Hawaiian Civic Clubs, all supported this measure, as well as many others. As this most sacred indigenous plant, it is not only the official State Plant, but it plays a significant role in Hawaiian culture, in our history in farming.

"But I also wanted to add, another reason why I so support *kalo*. I've said before on this Floor that I encourage any of us, all of us, I hope one day, to understand the breadth, the impact of a disease called diabetes. It is impacting lives, breaking hearts and our local people are its number one target. Our jewels, our treasures, they are dying Mr. Speaker, and Dr. Terry Shintani, living treasure of Hawaii, knows the healing properties of *kalo*. In very fact I have many friends in my district that attribute eating a traditional diet comprised of poi, bread fruit, and the things that our people once ate, our native Hawaiians, as what saved their lives and got them off insulin. For he discovered this, Dr. Shintani, that those that stray away often become prone to chronic life threatening disease, and right now Hawaii has one of the highest rates in the country.

"One of my staffers mentioned to me that on their way in this morning there's a poster with one child in color printed and one child in black and white, and it said, 'One in two will be affected.'

"But health can be restored by returning to the right eating habits. In a diet of carbohydrates that are found in *kalo* because *kalo* is so special. It doesn't have gluten. It's free from gluten. It's high in potassium. In short, Mr. Speaker, it's our heritage and it helps us, and I think that it's good and I'm proud, I'm proud to support a Member of this Chamber when they work for the good of the people. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2809, HD 1, entitled: "A BILL FOR AN ACT RELATING TO KALO APPRECIATION MONTH," passed Third Reading by a vote of 51 ayes.

Representatives Keith-Agaran and Herkes, for the Committee on Judiciary and the Committee on Consumer Protection & Commerce presented a report (Stand. Com. Rep. No. 692-12) recommending that H.B. No. 2298, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committees was adopted and H.B. No. 2298, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PRIVACY RIGHTS," passed Third Reading by a vote of 51 ayes.

Representatives Keith-Agaran and Herkes, for the Committee on Judiciary and the Committee on Consumer Protection & Commerce presented a report (Stand. Com. Rep. No. 693-12) recommending that H.B. No. 1295, HD 2, as amended in HD 3, pass Third Reading.

Representative Chong moved that the report of the Committees be adopted, and that H.B. No. 1295, HD 3, pass Third Reading, seconded by Representative Evans.

Representative Cabanilla rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Cabanilla's written remarks are as follows:

"Mr. Speaker, I rise with reservations to HB1295 HD3. While I support the penalties for habitual and fraudulent unlicensed contractors, I have reservations on the penalty for the simple small time unlicensed contractors.

"My reservation lies with the fact that the upper limit for a handyman is by law, \$1100 as an aggregate total. Sometimes a handyman takes a small job and as the job progresses on there may be more work than what was originally intended which will bring him to the limit of a handyman work. Should the handyman walk away because he is now in violation?"

"Secondly Mr. Speaker, this penalty will make it very difficult for homeowners or business owners to find workers because most licensed contractors go for the bigger jobs. Bigger work takes precedence over the smaller work.

"Third, the provision in the bill that makes each day a separate violation. For the habitual and fraudulent unlicensed contractors, yes this penalty can be appropriate. But for the guy next door just trying to make a living, I believe this is too harsh Mr. Speaker. For these reasons, I am with reservations on this bill."

Representative Marumoto rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committees was adopted and H.B. No. 1295, HD 3, entitled: "A BILL FOR AN ACT RELATING TO BUSINESS," passed Third Reading by a vote of 51 ayes.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 694-12) recommending that H.B. No. 1730, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1730, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE LAND USE COMMISSION," passed Third Reading by a vote of 51 ayes.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 695-12) recommending that H.B. No. 69, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 69, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Cabanilla rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. Standing in strong support, and I would like to make a few comments. Well this bill is a long time coming. We are passing it in honor of the veterans. Even though federal law already mandates that we can hang the U.S. flag, there's still some glitches that this Body worked on so the people that live in condominiums and planned community associations can fly those flags. We worked on this measure and I am very proud of this Body, that they can now fly the flag without being charged association fees or being fined if they hang the flag in a location that the community association or condominium association does not feel is the right place.

"So they now can hang the U.S. flag and Hawaiian flag as long as it is a prominent place, and Chair of Judiciary put in that the flag should be treated with respect. Thank you, Mr. Speaker."

Representative Cullen rose to disclose a potential conflict of interest, stating:

"Mr. Speaker, may I ask for a ruling on a potential conflict. I serve as a director on my homeowners association in Village Park," and the Chair ruled, "no conflict."

Representative Pine rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Pine's written remarks are as follows:

"I strongly support HB 69 HD2, which ensures the right of members of planned community associations in displaying the United States flag and State of Hawaii flag on their properties.

"Mr. Speaker, to someone who has fought for our country, the American flag has special meaning. Veterans deserve the right to fly the flag on their own homes. Here in Hawaii, we have a large veteran and enlisted military population. It is essential that we honor and support them by allowing our nation's flag to be displayed without burdensome restrictions."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 69, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PLANNED COMMUNITY ASSOCIATIONS," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Hanohano voting no.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 697-12) recommending that H.B. No. 2617, as amended in HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2617, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PENALTIES," passed Third Reading by a vote of 51 ayes.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 699-12) recommending that H.B. No. 2232, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2232, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Cabanilla rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, I rise in strong reservation of this matter. The first portion of this bill I agree with. I think pelvic exams should not be done without the consent of the woman. However, the second portion of it states that a pelvic exam can be done on an unconscious patient or woman, without her consent if they are to do a diagnostic test.

"There is only one reason, Mr. Speaker, that you do a pelvic exam, and that is to do a diagnostic test. That's why it's called a pelvic exam. I have fear that this bill will be passing through, especially when it's supported by the medical school. The only time that you should do a pelvic exam on an unconscious patient is if it's a life saving measure, and that is now in law, so the second portion is not needed, Mr. Speaker.

"This will have some very grave impact should that portion of the bill pass, and I hope that by the time this bill gets to Final Reading, we can delete that portion. Thank you, Mr. Speaker."

Representative Keith-Agaran rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I support HB 2232 HD2 which requires informed consent before pelvic examinations of unconscious patients.

"This measure addresses a situation brought to the Legislature's attention by a University of Hawaii medical student who reported that patient consent was not always obtained when pelvic exams were performed on anesthetized patients for medical training purposes. Few matters are as intensely personal as the right to be free from the violation of the integrity of our body. Informed consent is one tool that ensures that individual privacy interests are not violated by unthinking whims in an academic setting and then dismissed as simply a useful practice in the educational process. This bill makes it explicit that informed consent in this context is the law in Hawaii and the standard of practice that our community requires.

"This bill protects women without inhibiting medical training. Indeed, medical training must include training in the respect and dignity to which every patient is entitled, especially when their patients are anesthetized. This bill strikes a balance in requiring consent for a pelvic examination on an anesthetized patient unless it is within the scope of care for a scheduled surgical or diagnostic procedure for which the patient has given permission, or if it is necessary for diagnosis."

Representative Pine rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Pine's written remarks are as follows:

"I strongly support HB2232 HD2 Relating to Health for the following reasons:

"HB2232 HD2 addresses the circumstances under which pelvic examinations may be performed by certain health care providers and medical students on anesthetized or unconscious female patients. The bill protects women from unsolicited pelvic exams, and it protects doctors and medical students from performing them. Specifically, the bill states that doctors or medical students shall not perform a pelvic exam on an unconscious female patient, unless the exam is for diagnostic purposes.

"All of the testimony during the hearing process was extremely supportive of this bill.

"As the law currently stands, it is not explicitly against the law for a medical professional to perform such a pelvic exam. However, ethical concerns were raised in the testimony over the propriety of doing so. Women in a non-emergency situation should have the ability to know exactly what procedures will be done while they are under anesthesia, and this bill will help to do just that. When a patient must go under anesthesia, she should be confident that all procedures to be undertaken have been discussed. Unfortunately, the current policy as it relates to unsolicited pelvic exams runs contrary to that belief.

"Not only will this bill protect the patients themselves, but doctors and medical students will also benefit from this measure. Many of the testifiers stated that they did as they were asked by their superiors in performing these exams, but they felt internally that it may not have been medically ethical.

"Of particular interest was the testimony of medical students who were ashamed that they had been required to perform pelvic exams on unconscious women without their consent. Patient consent should be absolutely imperative when dealing with such a sensitive medical issue.

"Passage of this measure will improve medical service provision and protect doctors and patients.

"For all these reasons I strongly support HB2232 HD2, Relating to Health."

Representative M. Lee rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative M. Lee's written remarks are as follows:

"Mr. Speaker, I rise in strong support of House Bill 2232, HD2 – Relating to Pelvic Examinations. HB2232, HD 2 is a common sense bill which would make it mandatory for a doctor or medical student to obtain explicit written consent from a female patient before having that patient be anesthetized and submitted to a pelvic examination. It is highly unethical medical practice to perform a pelvic examination on a woman patient who is uninformed (and oftentimes unconscious or under sedation).

"The American Association of Medical Colleges, which represents 125 accredited U.S. medical schools and over 400 teaching schools, has labeled the performance of pelvic examinations on women under anesthesia as "unethical and unacceptable." According to Hawaii's criminal code, HRS §707-731, "sexual penetration of another person who is mentally incapacitated constitutes a sexual assault in the 2nd degree." An

uninformed pelvic examination is essentially sexual assault in a medical setting and should not be tolerated.

"This bill acknowledges the importance of medical students being exposed firsthand to real situations which may arise in their medical career, and only asks that consent of the woman patient be obtained before student participation. Many students, when interviewed about their OBGYN rotation, have noted that they were extremely uncomfortable administering a pelvic examination, unsure if the unconscious patient had consented to it.

"As a matter of fact, this bill serves to bolster a student's education by emphasizing the importance of patient consent, which has come to be a standard in medical practice. If asked, many female patients would be happy and willing to contribute to the education of future doctors in this manner. HB 2232 will preserve the dignity of women at their most vulnerable, as well as allow medical students to train adequately for their future as physicians.

"I urge you my fellow Members to support this bill, and to support the dignity and basic rights of women."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2232, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Third Reading by a vote of 51 ayes.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 702-12) recommending that H.B. No. 2276, as amended in HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2276, HD 1, entitled: "A BILL FOR AN ACT RELATING TO SKATEBOARDS," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Riviere voting no.

At 9:26 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2809, HD 1  
H.B. No. 2298, HD 2  
H.B. No. 1295, HD 3  
H.B. No. 1730, HD 2  
H.B. No. 69, HD 2  
H.B. No. 2617, HD 1  
H.B. No. 2232, HD 2  
H.B. No. 2276, HD 1

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 704-12) recommending that H.B. No. 2228, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2228, HD 2, entitled: "A BILL FOR AN ACT RELATING TO BREASTFEEDING IN THE WORKPLACE," passed Third Reading by a vote of 51 ayes.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 706-12) recommending that H.B. No. 578, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 578, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Riviere rose in support of the measure with reservations and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Riviere's written remarks are as follows:

"HB578 is bad legislation because it addresses a non-existent problem in that nobody has been fined for shark feeding. Targeting two legal enterprises with increased penalties for something they have never been convicted unfairly tarnishes their reputations. One dangerous, unintended consequence could be to further agitate whoever committed criminal acts when they burned down three boats of one tour operator. It is unclear why this bill should be moving forward, other than it is based on unfounded fears and accusations. There is no scientific evidence of any increased danger to swimmers or any ocean users. This bill should not pass."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 578, HD 2, entitled: "A BILL FOR AN ACT RELATING TO SHARK FEEDING," passed Third Reading by a vote of 51 ayes.

Representative Herkes, for the Committee on Consumer Protection & Commerce presented a report (Stand. Com. Rep. No. 709-12) recommending that H.B. No. 518, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 518, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Har rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Har's written remarks are as follows:

"Mr. Speaker, I rise with reservations on Standing Committee Report 709-12, House Bill 518, House Draft 2.

"The purpose of this bill is to require a seller to disclose in writing to a buyer the existence, if any, of legal or traditional public access that burdens the residential or agricultural real property being sold.

"However, HB 518, HD2 lacks a purpose clause. Without reason, there is no justification for this bill.

"Additionally, this bill is duplicative and unnecessary for at least four reasons. First, Hawaii Revised Statutes (HRS) §508D-1 and §508D-4 already refer to disclosure of a "material fact," including legal access. Under these two sections a seller of residential property must prepare a written disclosure statement that discloses all material facts, including legal access rights, relating to the residential real property being offered for sale.

"Second, HRS §508D-7 already addresses the legal duty of the seller's agent to disclose any inconsistent or contradictory material facts to the buyer.

"Third, HRS §508D-6, §508D-13 and §508D-16 already provide for legal remedies for failure to disclose a material fact.

"Fourth, the buyer can order their own title search, which will disclose all legal access rights and easements. Part of the due diligence process prior to the closing of the sale gives the buyer the option of ordering a title search.

"And finally, Mr. Speaker, HB 518, HD2 is not the proper vehicle for securing traditional public access rights. The proper, legal way to secure public access rights is for the hostile users to bring a quiet title lawsuit against the property owner.

"For these reasons, I stand with reservations on this measure. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 518, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ACCESS TO REAL PROPERTY," passed Third Reading by a vote of 51 ayes.

Representative Herkes, for the Committee on Consumer Protection & Commerce presented a report (Stand. Com. Rep. No. 710-12) recommending that H.B. No. 1706, as amended in HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1706, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Johanson rose in support of the measure with reservations and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Johanson's written remarks are as follows:

"I rise in support with reservations on HB 1706, Relating to Rental Agents for Condominiums. While I recognize the benefits in requiring a local point of contact in the State for renters, I have concerns over how it might adversely impact members of our military who are deployed. I also have concerns about the constitutionality of this measure's provisions. For these reasons, I will be supporting this measure with reservations."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1706, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUMS," passed Third Reading by a vote of 47 ayes to 4 noes, with Representatives Ching, Fontaine, Marumoto and Riviere voting no.

Representative Herkes, for the Committee on Consumer Protection & Commerce presented a report (Stand. Com. Rep. No. 712-12) recommending that H.B. No. 1966, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1966, HD 2, entitled: "A BILL FOR AN ACT RELATING TO VACCINATIONS," passed Third Reading by a vote of 51 ayes.

Representative Herkes, for the Committee on Consumer Protection & Commerce presented a report (Stand. Com. Rep. No. 713-12) recommending that H.B. No. 425, HD 2, as amended in HD 3, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 425, HD 3, pass Third Reading, seconded by Representative Evans.

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I'm rising to cast a no vote and to make some comments. Thank you, Mr. Speaker. If you look at page 1, the purpose clause of this bill relating to public utilities, it states on line 5 to 6, it is anticipated that in 2030, 60% of electricity generation will come from fossil fuels. That's a very defeatist purpose clause, a very defeatist assumption. That means that in the next 18 years, we don't expect to do better. We expect to stay mired in oil.

"I'd like to read a few lines from "Oil's Tipping Point Has Passed," an article that appeared in *Nature Magazine* in January of this year, and I think that it's something that we should pay attention to as we set policy in this Body. The authors are well respected, James Murray, School of Oceanography University of Washington, Seattle, Washington; and David King, Director of the Smith's School of Enterprise and the Environment, University of Oxford in the United Kingdom, Senior Science Advisor to the bank UBS, and served as Chief Scientific Advisor to the United Kingdom government for almost a decade. They state, and I quote, "The approaches needed for tackling the economic impacts of resource scarcity and climate change are the same. Moving away from a dependence on fossil fuel energy sources."

"And then I'd ask Members to look back at the bill where we say in the next 18 years we're still mired in oil. The authors go on, "Governments

that fail to plan for the decline in fossil fuel production will be faced with potentially major blows to their economies even before rising sea levels flood their coasts or crops begin to fail catastrophically."

"The authors, I would really recommend this to everyone in the Body, to take a look at it, so we don't pass legislation like this, this year, or in the future. Instead this bill should have stated to the Public Utilities Commission, do everything you can to look at renewable energy resources that are available or emerging. See how we as a state can be part of that green energy future. See how we as a state can provide the jobs for our young people, as we develop one of the sources which I've talked about on this Floor, the ocean energy resources. Where the United States Department of Energy has done a new survey stating and concluding that Oahu can obtain three times the amount of energy that we use and that we need. But instead this stays stuck in dirty energy, fossil fuel.

"While the words 'fossil fuel' are removed, the assumption is there on page 1 of the bill. It's the wrong way for this Body to go. We're not being forward thinking. We're being pessimistic. And as these renowned authors state, oil's tipping point is past. For those states and those economies that don't prepare for that, we're going to have an economic downturn that's going to be devastating. And I have to also remind the Members, which you are all aware of. We have a monopoly utility. That monopoly utility doesn't suffer when the cost of oil escalates because every part of that escalation and increased cost is passed on to our consumers.

"This isn't the way to go. This archaic House Bill. And I wish that we would rethink this. I assume it's going to pass over to the Senate. Let's hope they will look at it more critically and say, 'No, we can do better than this.' Thank you."

Representative Pine rose in support of the measure with reservations and asked that the remarks of Representative Thielen be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 425, HD 3, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC UTILITIES," passed Third Reading by a vote of 48 ayes to 3 noes, with Representatives Ching, Hanohano and Thielen voting no.

Representative Herkes, for the Committee on Consumer Protection & Commerce presented a report (Stand. Com. Rep. No. 734-12) recommending that H.B. No. 2272, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2272, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Har rose to disclose a potential conflict of interest, stating:

"Mr. Speaker, may I request a ruling on a potential conflict? At my law firm I represent design professionals. Thank you," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2272, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONS AND VOCATIONS," passed Third Reading by a vote of 51 ayes.

At 9:35 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2228, HD 2  
 H.B. No. 578, HD 2  
 H.B. No. 518, HD 2  
 H.B. No. 1706, HD 1  
 H.B. No. 1966, HD 2  
 H.B. No. 425, HD 3  
 H.B. No. 2272, HD 2

Representatives Herkes and Keith-Agaran, for the Committee on Consumer Protection & Commerce and the Committee on Judiciary presented a report (Stand. Com. Rep. No. 735-12) recommending that H.B. No. 1957, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committees was adopted and H.B. No. 1957, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HEALTH CARE INFORMATION," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 736-12) recommending that H.B. No. 2226, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2226, HD 2, pass Third Reading, seconded by Representative Evans.

Representative M. Lee rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative M. Lee's written remarks are as follows:

"Mr. Speaker, I rise in strong support of House Bill 2226, HD2 – Relating to an Automated Victim Notification System. This bill seeks to maintain an automated notification system in which the victim of a crime will be apprised of their attacker's custody status. It is a natural extension of the current Statewide Automated Victim Information and Notification System (SAVIN) that is administered by the Department of Public Safety. HB 2226 will establish a service in which victims will be kept up to date on the status of their offender, from the point of arrest and incarceration through the time they are released and under supervision with the community.

"The SAVIN program, which receives federal funding through the Department of Public Safety, may be discontinued in 2012 due to lack of funds. HB 2226 will provide for the continued operation of SAVIN by dedicating a special funding source, whose revenue will be generated by fees from inmate phone usage and from a 4% surcharge against inmate commissary purchases. So, HB 2226 is a financially feasible means of protecting the public and ensuring victim's rights. It will not be necessary to "invent" additional sources of funding for this system.

"A portion of this bill addresses the overseeing of a notification system by a committee, to be made up of representatives from victim service agencies, victim witness assistance programs, and a victim or surviving family member. This Governance Committee will build rapport with the Department of Public Safety to ensure successful implementation of the automated notification system.

"Many Victim/Witness Counselors attest to the functionality of this notification system, stating that it offers tremendous peace of mind to victims of abuse. It allows such victims to regain some control over their lives by informing them of their attacker's custody status, thereby enabling them to prepare or protect themselves accordingly. An automated victim notification system poses an invaluable service to members of the community who have been victimized, or who know someone recuperating from a crime. It has afforded peace of mind to victims living in fear of their attacker.

"I urge your support of this bill, which will continue to support victims across the State."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2226, HD 2, entitled: "A BILL FOR AN ACT RELATING TO AN AUTOMATED VICTIM NOTIFICATION SYSTEM," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 737-12) recommending that H.B. No. 2258, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2258, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONAL AND VOCATIONAL LICENSING," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 738-12) recommending that H.B. No. 2410, as amended in HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2410, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Ching rose to speak in support of the measure, stating:

"Mr. Speaker, I rise in strong support. Mr. Speaker, as stated in section 1 of this bill, the purpose of this Act is to strengthen the economy, the State's economy, and maintain a mutual beneficial relationship between the State and the military by requiring the Governor to enter in to a Memorandum of Understanding. The Department of Defense in providing continued support for the military's presence in Hawaii. It's a bill that helps both the military and Hawaii. And we know that we owe so much to our troops, to those who serve honorably in the Armed Forces.

"But the military assists us on another level. According to the Chamber of Commerce of Hawaii, a study by the Rand Corporation, it clearly identifies Hawaii's defense industry being the second major source of revenue to the State of Hawaii accounting for more than \$12.2 billion in annual revenue, creating 101,500 well paying jobs, in excess of \$3.5 billion in annual household income."

"Hawaii, unlike in most other states, military bases are located closer to the civilian population and therefore military personnel spend much more time in the civilian community than in other states where bases are located far from the major population. So they're shopping at the same stores. They're eating at the restaurants, same as their civilian counterparts. They're putting money into our economy. They're support jobs and tax income. And I'd like to add that because of this interaction, the military personnel don't just spend time in our communities, but also become part of the community, our *ohana*.

"So the connection is obvious. When we show our support for the military in a productive manner, the military also is our friend. So I appreciate the opportunity to express my support of the military. We know that our US Senator Dan Inouye, was and is, continues to be inspiration for many and of his service in World War II. And I'm proud to say that at one point, though some be gone, there were so many 442nd that lived in my District."

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2410, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE MILITARY," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 743-12) recommending that H.B. No. 2681, as amended in HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2681, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Fontaine rose to speak in support of the measure with reservations, stating:

"Yes, Mr. Speaker. I stand with reservations on this measure. Just some brief comments. I understand that there is a need to provide this very important tool to the enforcement officers of the Department of Land and Natural Resources, but I'm concerned that we're taking away from the

training standards for the aspect of providing these tools. I would hope as this measure moves on that there will be some language, that DLNR must meet some specific training standards when they issue these weapons. I thought the accreditation part of this was good, but now that that's been taken away, it doesn't specify what kind of training these officers are going to receive in order to use these weapons. I would just hope that we would take a cautious look at this measure in the future. Thank you."

Representative Belatti rose to disclose a potential conflict of interest, stating:

"Thank you, Mr. Speaker. First may I have a ruling on a potential conflict? In the testimony below in opposition by the ACLU of Hawaii, the case cited in opposition is a case that my law firm is currently litigating," and the Chair ruled, "no conflict."

Representative Belatti continued to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. And with that, a strong no, in opposition with a few comments. Mr. Speaker, it's very rare when our private lives can intersect with our legislative work, and this is a very good case where the work that I'm doing in my law office is informing, and I think informing in a very good way, my thoughts on this piece of legislation.

"As noted by the Representative from Kihei, this really is about good risk management, for the State of Hawaii and the counties that might be looking at this. It's really important that training is maintained, and this requirement for training will in fact protect the State of Hawaii and the DLNR from potential lawsuits and large lawsuits, Mr. Speaker.

"I want to just point out that if people think that it's not possible. You know I really respect the work of our DOCARE and our DLNR officers. But just recently, on January 30, 2012, in Montana, there was a case of the National Park Service employee tasing a individual who was walking his dog off-leash on a trail. That's a situation that happened and it sparked outrage across the nation. It's really important that training is provided. I thought that piece of it in this legislation in years past was a good compromise, and I hope that as this bill moves forward that language is reinserted. Thank you, Mr. Speaker."

Representative Pine rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Ward rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Awana rose in opposition to the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Awana's written remarks are as follows:

"Mr. Speaker, I stand in opposition. I appreciate the hard work and effort provided by the DLNR Law Enforcement Officers. However, to give this one law enforcement group an exemption is not in the best interest of everyone concerned. In community meetings, I have heard time and time again of incidents where some officers have abused their authority. I am sure that this bill will not sit well with constituents who have experienced such abuse. We must make sure and make every effort to ensure that all law enforcement meet the standards set forth for others throughout our State. For these reasons, I will have to oppose this measure. Thank you, Mr. Speaker."

Representative C. Lee rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2681, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTRIC GUNS," passed Third Reading by a vote of 47 ayes to 4 noes, with Representatives Awana, Belatti, Hanohano and Wooley voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 744-12) recommending that H.B. No. 2798, HD 2, as amended in HD 3, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2798, HD 3, pass Third Reading, seconded by Representative Evans.

Representative Pine rose to disclose a potential conflict of interest, stating:

"I just wanted to note a potential conflict. I work for a veteran's homeless shelter that has advocated for this bill," and the Chair ruled, "no conflict."

Representative Pine continued to speak in support of the measure, stating:

"May I say a few words in support? I do want to thank this Body for allowing this bill to move this far. We're finding more and more as our veterans come back from Iraq and Afghanistan they have very unique challenges, and many are suffering from post traumatic stress disorder. Many are finding a difficult time getting back into society, as well as a difficult time reintegrating with their families again.

"What this Veterans Court does is it helps our veterans to be separated from the rest of the population. They may not have the same challenges. It will allow judges and those helping these veterans, as well as the victims, better access to the care that they need."

Representative Keith-Agaran rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. In support of HB2798, HD2, which enhances the effectiveness of the criminal justice system in regards to veterans of war and their unique needs by creating the Temporary Hawaii Veterans Treatment Court.

"A 2011 study prepared by the RAND Corporation regarding the impact of military spending in Hawaii revealed that Hawaii is home to more than 100,000 veterans, a substantial portion of Hawaii's population. Thousands of veterans, who have suffered severe stress and other injuries, have recently returned from combat environments in Iraq and Afghanistan. Some of these veterans, as well as veterans from other wars and conflicts, are suffering from post traumatic stress and brain injuries and are having a difficult time adjusting to society. In many instances a veteran's involvement with the judicial system may be a direct result of injuries, both undiagnosed and diagnosed, obtained while in service to our country.

"This bill will establish a process for the transfer of a veteran's case from the regular court system to the Temporary Hawaii Veterans Treatment Court. The transfer would need to be approved by the prosecuting attorney. However, when a veteran is already on probation, the transfer also requires Court approval. That court may substitute a treatment plan model for traditional court processing for all participating veterans. Establishing a veterans' treatment court would give these veterans a chance to get back to being productive members of our community. In this measure, the definition of "veteran" has been broadened in order to serve as many veterans as possible.

"We have revised the definition of "veteran" to include those who have been federally activated and, upon release from active duty, are eligible for services from the United States Department of Veterans Affairs. That definition for "veteran" is broader than the one originally proposed and was the result of testimony by the Department of Veterans Affairs."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2798, HD 3, entitled: "A BILL FOR AN ACT RELATING TO A VETERANS TREATMENT COURT," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 745-12) recommending that H.B. No. 2848, HD 2, as amended in HD 3, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2848, HD 3, pass Third Reading, seconded by Representative Evans.

Representative Hanohano rose to speak in support of the measure, stating:

*"Kako'o loa. Makemake au e ho'okomo ko'u mana'o i loko o Ka Puke Hale Maka'ānana. Mahalo."*

Representative Hanohano provided the following translation:

Strong support. I wish to insert comments in the House Journal. Thank you.

*Mahalo Ho'omalū 'Ōlelo no kou 'ae ai i ko'u mana'o i loko Ka Puke Hale Maka'ānana. Maika'i kēia pila. 'O Kūlani he wahi pana maika'i e pili ana ka pu'uhonu no nā pa'ahao. E holo mua kākou i nā mea pono no nā po'e 'o Hawai'i nei.*

Thank you Mr. Speaker, for approving my request to submit comments in the House Journal. This is an excellent bill. Kūlani is a special place which is fitting as a refuge for inmates. We must move forward with righteousness for the people of Hawai'i.

Representative Pine rose to speak in support of the measure with reservations, stating:

"I just want to note my reservations on this bill. I'm just concerned about the Hawaii Youth Challenge Academy which is now located there is nationally recognized and doing very well. I do appreciate the intent of the measure and its overall purpose, but I do hope that if this Body continues with this measure, that we ensure that the Youth Challenge Academy has no degradation to the services it provides our youth."

Representative Marumoto rose to speak in support of the measure with reservations, stating:

"Good Morning, Mr. Speaker. I have the same reservations. In essence, if the Youth Challenge program is still located at Kulani, I would wonder whether the wellness program could coexist peacefully with Youth Challenge. I would be in opposition to reopening Kulani because that would be a very expensive proposition. It would be nice if we could have the two programs located at Kulani."

Representative Takai rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I rise in support. I just wanted to provide some information to some of our colleagues. As we all know, the second Youth Challenge campus was placed on the former Kulani Prison grounds a few years ago. But what we realized is that it's an unsafe situation for the cadets. In fact, the current TAG, Major General Wong has stated as one of his priorities the movement of the Kulani Youth Challenge program closer into town, in Hilo. In fact, near one of our armories.

"The reason for that is if you've gone to Kulani as the Representative for that area is well aware, because she used to work there, it's out in nowhere. There have been some serious concerns regarding safety and access to adequate emergency services in the event of emergencies. So I believe that we can assure the Representatives who have concerns regarding the co-location of the Youth Challenge Program with this Wellness Center, that it will not happen. And number two, that in the event that this Wellness Center gets created, the plans are in fact to relocate the Youth Challenge Program."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2848, HD 3, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," passed Third Reading by a vote of 51 ayes.



At 9:48 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 1957, HD 2  
 H.B. No. 2226, HD 2  
 H.B. No. 2258, HD 2  
 H.B. No. 2410, HD 1  
 H.B. No. 2681, HD 1  
 H.B. No. 2798, HD 3  
 H.B. No. 2848, HD 3

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 748-12) recommending that H.B. No. 2599, HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2599, HD 1, entitled: "A BILL FOR AN ACT RELATING TO REENTRY INTAKE SERVICE CENTERS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 749-12) recommending that H.B. No. 2598, HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2598, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PRESENTENCE REPORTS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 754-12) recommending that H.B. No. 1947, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1947, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Keith-Agaran rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, I just want to express my slight reservations about the bill. I'm concerned that small farmers still seem to have issues with the language of the bill, and as it moves forward I would hope that their concerns could be addressed. Thank you."

Representative McKelvey rose in support of the measure with reservations and asked that the remarks of Representative Keith-Agaran be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Marumoto rose in support of the measure with reservations and asked that the remarks of Representative Keith-Agaran be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Pine rose in support of the measure with reservations and asked that the remarks of Representative Keith-Agaran be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Thielen rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Ching rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ching's written remarks are as follows:

"Thank you, Mr. Speaker. I stand with reservations of H.B. 1947-Relating to Agriculture. This bill authorizes the Department of Agriculture (DOA) to establish an Agricultural Safety and Security Program. It requires, under the program, the DOA to conduct audit and certification services and specifies that the Program is voluntary for producers. It requires the charge of fees and expenses and establishes an Agricultural Practices Audit and Certification Revolving Fund for the Program.

"H.B. 1947 possesses respectable notions however; it does not adequately address the well being of small farmers or acknowledge the inadequacy of the Department of Agriculture for such a large task. As asserted in testimony by Mr. Kokubun, Chairperson of the Department of Agriculture, the DOA "lacks staffing, expertise, and proper funds in order to establish the agricultural and management practices mandated by this bill."

"More importantly, the impact of this bill would exclude small farmers from the marketplace and reduce the availability of locally-grown food, without improving aspects of food safety. This bill would effectively cut out much of our self-sustainable local farming in favor of imported goods that would by default, be perpetually deemed safe. All the while, there is absolutely no evidence of any food borne illness arising from small farms or farmers markets. I reflect on Ms. Annie Suite's testimony, "This bill is overreaching and does not address where history shows the problem of potential hazard of contamination: processing. Requiring all farmers to undergo third party food safety certification will result in the loss of the vast majority of Hawaii's small family farms."

"It is clear, through testimony on this measure that farmers have come to a consensus that this bill will undoubtedly put our small farmer out of business. In fact, every single farmer that testified did so in opposition. Not one farmer on record is in favor of this bill. In closing, I echo Mr. Travis Overley, a North Shore farmer, "This legislation is built upon a bad assumption: that all food imported to Hawaii is inherently safe, whereas, all food grown in Hawaii is unsafe, until proven safe by a third party certifier. This is not a market climate that promotes local food consumption". Thank you."

Representative Luke rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I also rise in reservation with similar concerns as previous speakers previously stated."

Representative C. Lee rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. Just slight reservations noting the concerns of a lot of the Waimanalo small farmers who feel that they'd be adversely impacted. Thank you."

Representative Wooley rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. With reservations. I'd just like to say that the concern of the small farmers, I don't think, was addressed. There were a lot of other bills in Committee that were never heard. So we really never heard from the small farmers.

"I do have reservations and I appreciate all the work of the Agriculture Committee, but I think we can do more. I'd also like to insert written comments."

Representative Wooley's written remarks are as follows:

"Not only did the Committee on Agriculture refuse to hear any of the bills proposed by the small farmers, it ignored the small farmers' concerns when it passed this bill. For those of you who don't know already, a large group of small farmers took the time to meet regularly for the last year to come up with a food safety security proposal that they could all agree on. It took a lot of time and thought, and the language the small farmers proposed is included in several of the bills still sitting in the Committee on Agriculture. These bills were never even scheduled for hearing. I support

the Legislature's effort to address the concerns of our large and corporate farmer needs, but it saddens me that after all their work, the small farmers' voices were never heard."

Representative Nakashima rose in support of the measure with reservations and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Nakashima's written remarks are as follows:

"I support the intent of this bill which is to ensure that Hawaii is prepared to move forward with a food safety and security program. We must recognize that, based on Hawaii's unique situation and economy, it will require that most of this food be produced on small rural farms throughout the State. As the federal rule making moves forward, I hope that it recognizes this unique aspect of our small state and takes into account the already difficult situation that most farmers in Hawaii face as they attempt to make a living in this difficult profession."

Representative Brower rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Ward rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Giugni rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Belatti rose in opposition to the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Belatti's written remarks are as follows:

"I oppose House Bill 1947, House Draft 2 because it is premature and does not take into consideration the needs of Hawaii's small scale farmers. The recently passed Federal Food Safety and Modernization Act ("FSMA") directs the FDA to develop science-based preventives of food-borne illness and apply them to the entire food production system. According to the testimony of the State Department of Health, the State will have two years to develop food safety programs once the Food and Drug Administration publishes its FSMA rules. The testimony of the State Department of Agriculture echoes the premature nature of House Bill 1947 and states that "[n]ot only is the Federal government poised to establish some or most of the standards intended by this bill, but the FDA's regulations, once adopted, could preempt any inconsistent state laws or rules on the same subject."

"Finally, the Tester Amendment to the national FSMA exempts small farmers who sell directly to the consumer since they pose less risk than large mono-cropping companies. House Bill 1947 contains no such language. Because this bill is premature and does not have the support of many of Hawaii's small farmers, I oppose this bill."

Representative Tsuji rose to speak in support of the measure, stating:

"Mr. Speaker, in support. Thank you, I believe this is a very important piece of legislation. This authorizes the Department of Agriculture to establish this Agriculture Safety and Security Program. It further authorizes the DOA to conduct an audit and certification services.

"Nationally, the Food Safety Modernization Act was signed in January 2011, and it also further states that it exempts agricultural producers realizing annual sales, or annual gross income under \$500,000. The law is not in effect yet, but producers across the nation are participating on a voluntary basis. Here also in Hawaii, a good number of buyers are requiring producers to be food safety certified.

"I'm not sure where the comments with reservations or even objection are coming from, but nationally consider this as food for thought, or fuel for thought, pardon the pun. Nationally, illnesses across the United States cost, not millions, but billions. According to figures released some \$152 billion in annual health-related expenses. An estimated 76 billion people get sick because of food borne illnesses. Thousands upon thousands, 5

thousand die annually. This is according to statistics released by the US Centers for Disease Control and Prevention. The lowest health cost to take care of such illnesses is the State of Kentucky at \$1,731 annually. You know where the highest price tag is Mr. Speaker? In the State of Hawaii. Over \$2,000. That's above the national average of \$1,800 to remedy health cases caused by food borne illnesses.

"In 2005 it was reported on the Big Island of Hawaii where I'm a resident, a baby died from what was suspected to be a rare form of food illness caused by meningitis. The same type of disease on the Big Island inflicted a 22 year old young man and he was in coma for several months. But think about this. These are statistics that come through. In 2008, a salmonella outbreak in the United States infected 200, and 9 died. In the United States, a listeria outbreak in poultry infected 50, and 8 died. The list goes on, Mr. Speaker.

"The AG industry is already stressed with economic setbacks. This particular legislation allows producers to be prepared before an epidemic occurs, emphasizing that this program is voluntary. I repeat, voluntary. In order to be compliant with generally accepted AG and management practices adopted by the DOA in conjunction with the University of Hawaii College of Tropical Agriculture and Human Resources and other entities that may be desired, preferable in implementing this legislation. Thank you, very much."

Representative Wooley rose to respond, stating:

"Thank you, Mr. Speaker. Just in brief response. I still have reservations. I appreciate what the Chair for Agriculture stated about food safety. I think that we all are very concerned. But I really believe we need to move away from words of fear, and focus on what the issues are. And here the small farmers have repeatedly worked together and requested that their bills be heard and their perspective be heard. This bill does not address their concerns."

Representative Choy rose to speak in support of the measure, stating:

"Mr. Speaker, strong support. Okay, I'll just do written comments, but in strong support."

Representative Choy's written remarks are as follows:

"Mr. Speaker I rise in strong support. This measure reminds me of the fight the local accountants were waging in the early 1980s. The battle raged over the requirements of additional overly far reaching audit and accounting procedures which added time and work to the issuance and audits of financial statements. As a small practitioner, I fought hard against such additional burdens put on us. The reason that the additional procedures were instigated was the proliferation of law suits stemming from failed audits. The failed audits were of publicly traded companies and audited by national accounting firms. I felt it was not fair for local practitioners, who rarely, if ever, audited public traded companies.

"The local practitioners lost this battle and soon we were inundated with checklists and procedures far beyond what I felt was necessary. But something happened that made all of these additional procedures necessary. The proliferation of law suits migrated to local firms. Local firms were now called upon to prove our quality control procedures and show that our work was preformed with all due diligence. The additional procedures turned out to be godsend and a savior for the small local firms.

"These evolutionary steps will happen to the small farmers. Slowly, the market and people's attitudes are changing. Farmers will no longer be able to sell their products, and stores and patrons will not accept uncertified products.

"This measure is a just a start since it is not mandatory, but someday, it will be mandatory. Probably, right after the amount of deaths increase, the lawsuits increase and then the public will demand it. Let's start now. Thank you, Mr. Speaker."

Representative Saiki rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Tokioka rose to speak in support of the measure, stating:

"In strong support, Mr. Chair. Thank you."

Representative Awana rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In strong support. And I ask that you allow me to adopt the words from the Representative from the Big Island. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1947, HD 2, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Third Reading by a vote of 48 ayes to 3 noes, with Representatives Belatti, Fontaine and Riviere voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 757-12) recommending that H.B. No. 2004, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2004, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Hanohano voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 759-12) recommending that H.B. No. 2626, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2626, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Kawakami rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In strong support with written comments."

Representative Kawakami's written remarks are as follows:

"Mr. Speaker, I stand in strong support of HB 2626, HD2, Relating to Safe Routes to School. This bill establishes a partnership with federal, State and county governments to accomplish one of our top priorities, keeping our *keiki* and *kupuna* safe and healthy.

"HB 2626 not only builds these bridges, but also provides a funding mechanism. The generation of this revenue is based on a surcharge that will be imposed on individuals that are guilty of moving violations at the price tag of \$10; and \$25 if it involves speeding, in a school zone. If one does not wish to pay this fee, the opt-out is quite simple. Follow the laws of the road.

"Furthermore, these funds will be channeled to our local government for the creation of infrastructure and non-infrastructure improvements with the goal of creating safer routes to school for our *keiki*, *kupuna*, and everyone to enjoy. This effort will encourage people to live healthy and will create the incentive for people to drive with Aloha. Mr. Speaker, the benefits of HB 2626 will surely outlast our lifetimes and will benefit *keiki* and families for generations to come."

Representative Awana rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In strong support with written comments."

Representative Awana's written remarks are as follows:

"Mr. Speaker, I rise in strong support. This measure will help students arrive to school on time and in a safe manner. Efforts by the Department of Transportation have been difficult as the federal funding for this program was a mandated action by the DOT. In addition, matching funds were not always available and school support groups or organizations would have to pay upfront costs to make necessary improvements before

any reimbursements arrived. This fund will help in supporting this important initiative while being able to receive federal grants for those arriving to and from school safely. For these reasons, I strongly support this measure. Thank you, Mr. Speaker."

Representative M. Lee rose to speak in support of the measure, stating:

"Mr. Speaker, I'd like to speak on Standing Committee Report Number 759-12, Safe Routes to School. I stand in strong support, and I'd like to insert written comments."

Representative M. Lee's written remarks are as follows:

"Mr. Speaker, I rise in strong support of HB2626 HD2 "Relating to Safe Routes to School."

"Each year the congestion around our schools becomes more intense. Especially at elementary schools, parents or others have a tendency to speed in schools zones leading to dangerous situations, especially in rural areas.

"The Safe Routes to School funds coming from the Federal Government have been difficult to administer due to restrictions. This bill would create a fund which would be used for local solutions.

"Hopefully some of the funds collected would be used to organize parent and community groups into work creating activities such as the "walking school bus" and the "biking school bus", thus cutting down on the number of cars around schools, and making the schools safer.

"I urge the Members' support."

Representative Morikawa rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Morikawa's written remarks are as follows:

"With the cuts in school busing, it is more imperative that we develop safe routes to school. Children close enough to their school, should be afforded a safe route to walk or bike. Schools on Kauai are currently having "Walking School Bus" activities whereby the whole elementary school is invited to meet about a mile from school and all walk together. This will also promote a healthier lifestyle for these children. This bill offers a funding mechanism to implement that goal."

Representative Ching rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ching's written remarks are as follows:

"Thank you, Mr. Speaker. I stand in strong support of H.B. 2626-Relating to Safe Routes to School. This bill permanently establishes the Safe Routes to School Program within the Department of Transportation and establishes a Safe Routes to School Program Special Fund. It assesses a surcharge of \$25 for violations of speeding in a school zone and a \$10 surcharge on various traffic violations and deposits these surcharges into the Safe Routes to School Program Special Fund.

"H.B. 2626 would successfully create a safer environment for our children while promoting more conscientious automobile drivers. This legislation will not only promote *keiki* safety, but would make the notion of walking first nature for them. If our children begin to walk now, they will live healthier lifestyles, reduce their risk of diabetes, and become more involved in their local communities. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2626, HD 2, entitled: "A BILL FOR AN ACT RELATING TO SAFE ROUTES TO SCHOOL," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 761-12) recommending that H.B. No. 2154, HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2154, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Johanson rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. In support with reservations. I think the intent of this bill certainly is laudable. I, as much as anyone else, want to encourage publicly beneficial development in a responsible manner. I also want to make sure that we're federally compliant. The reservations I have with this bill though are its potential to impact surrounding communities. I think much of our current law was set up to ensure checks and balances, and while I'm willing to support this bill, I do worry that in granting an exemption, some of those checks and balances may be called into question for surrounding communities such as my own, that all border the airport. So with that I just wanted to express some reservations on this bill. Thank you."

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I'm rising to speak against the bill providing Special Management Area exemptions. This is House Bill 2154, Mr. Speaker, as the measure is supposed to allow the Department of Transportation to go ahead with some airport projects. As the Sierra Club mentioned in its opposition to this measure that it is overbroad and unnecessary. I quote from them: 'The Special Management Area law already has an exemption for emergency projects needed for public health or safety. As written this measure exempts DOT from permitting for structures and improvements relating to airports that are necessary to comply with FAA regulations, but it could be used to justify any structure based on broad FAA language.'

"The difficulty to creating exemptions to our environmental laws is that once we start with one project, then the demand comes to exempt another department from another project, and the list goes on and on. I just wanted to read to the Members the names of the leaders who put together this special management area law 36 years ago, and this bill now starts to dismantle the protections they put in place. Here are the names of those leaders in the Legislature: Jean King, Anson Chong, Richard Wong, Francis Wong, Patsy Young, T.C. Yim, Joseph Kuroda, Donald Ching, Mamoru Yamasaki, Duke Kawasaki, George Toyofuku, Donald Nishimura, and John Ushijima. I think it's a sad day when we in this Body 36 years later, cut holes into what they put into place to protect Hawaii's environment."

Representative Pine rose to speak in support of the measure with reservations, stating:

"I just want to note my strong reservations and I'd like to use the words of this previous speaker as my own. I'd also like to just express some concerns. In the Ewa Beach area, we are just across the water from the airport. There has already been construction in the past that has impacted us greatly even though it did go through an EIS. I'm just a little concerned how that process would take place, and if the community would still have involvement in that process. So that's why I have concerns about this bill."

Representative Takai rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative C. Lee rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Rhoads rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Wooley rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Luke rose to speak in support of the measure with reservations, stating:

"Thank you. I rise just briefly with reservations. As stated earlier, the SMA process already has a mechanism to allow exemption in certain situations, and these are just too broad, sweeping changes."

Representative Ching rose in opposition to the measure and asked that the remarks of Representatives Johanson and Thielen be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Har rose to speak in support of the measure, stating:

"In support, Mr. Speaker. Mr. Speaker, the testimony of the Sierra Club, when it says this bill is vague and unnecessary, is patently false. I think for the edification of the Members it's important to understand something. While there may be an exemption process for the SMA, the fact of the matter is this. This specific bill rose for one particular purpose, and for that exact reason on the Island of Maui, I will defer to the Speaker Emeritus regarding that situation. But if you read the testimony of the Office of Planning from DBEDT, they supported this bill specifically because of the following reasons.

"FAA permits and licenses are identified on the NOA approved list of federal licenses and permits, subject to federal consistency certification in accordance with 15 CFR 930.53. The FAA permits and licenses per construction and operation of airports are subject to Hawaii Coastal Zone Management program federal consistency review. The requirements of the National Environmental Policy Act, NEPA, and Hawaii Revised Statutes, Chapter 343, EIS statements are applicable to structures and improvements relating to airports. The Office of Planning as the lead agency of Hawaii CZM program will continue to review and comment on NEPA and EIS documents in that regard.

"To state that this bill is overbroad and unnecessary is incorrect, because there are so many checks and balances in this particular program, and the fact is that the Office of Planning admits that they support this measure because they understand the specific situation that arose at our federal airports. Thank you."

Representative Thielen rose to respond, stating:

"Thank you. My second time, I know Mr. Speaker. I would like to give the opposing viewpoint on this. Mr. Speaker it's always more convenient to avoid environmental laws because then projects move faster. But that's not what those leaders decided should be the case in Hawaii, 36 or 37 years ago.

"When I look at the Sierra Club's testimony again, what they're talking about is, they're calling the bill a 'pennywise and pound foolish' proposal. And they said, 'Do we really want to encourage the development of airports without examining the particularized impacts on the marine environment?'"

"Here's one that really hits. I think those early leaders in 1976 would agree with this. The economic benefit, if any, is not worth the destruction of our democratic process and the resulting risks to our natural environment.

"Mr. Speaker, expediency or inconvenience; neither of those are reasons to move ahead to dismantle, even for a temporary time, some of our environmental laws. The difficulty of today's agenda and the number of no votes I had to cast is because it is happening like marks throughout the whole Order of the Day, on different pages. And when you put them all together, and you take a look at what this Democrat majority is doing today to undo what your leaders did about 35 years ago. They really set up a wonderful land use scheme, set up protections for our environment. They were the leaders that stepped forward, and today as we go through the agenda with different pages and different projects, we are harming the Special Management Area with this bill, and later on the Environmental Impact Statement laws. You go through the different things one after the other. One standing alone may not be very bad. When you put them all together, I think it brings shame on this Body."

Representative Har rose to respond, stating:

"Thank you, Mr. Speaker. A brief rebuttal. If you looked at page 2 of the bill, Members, this is a very narrow exemption. It says here that they shall be exempt from requirements to obtain an SMA minor permit or SMA use permit provided that the structures and improvements relating to airports are necessary to comply with Federal Aviation Administration regulations.

"Mr. Speaker, while our forefathers I'm sure, had every intent of protecting our environment, I'm sure they had no intent for us to be in violation of federal regulations. Thank you."

Representative Saiki rose to speak in support of the measure with reservations, stating:

"Mr. Speaker I have reservations on this measure, and I'd like to note that aside from being overbroad, this bill is also vague and ambiguous. There's terms in section 2 which are defective and will just lead to further litigation. These include the terms, 'structures,' 'improvements,' 'relating to airports,' and 'necessary to comply.'"

Representative Riviere rose to speak in opposition to the measure, stating:

"In opposition. I'll keep my comments brief. This is ultimately special legislation. Special legislation gets us into trouble as we will remember from just a few short years ago. If the system and the process is inconvenient, that maybe needs an overhaul. But to start carving out exemptions here and there sets a very bad precedent and the checks and balances get eroded. Inconvenience is always stated. Expediency. But if there's a systemic problem in the people processing or that are supposed to be implementing projects, we need to look at the whole picture here and not find scapegoats. Thank you."

Representative Belatti rose in support of the measure with reservations and asked that the remarks of Representative Saiki be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative McKelvey rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I was not going to rise and speak on this bill, but I feel someone from Maui has to, because of what the good Vice Chair of Water Land said. This is an attempt to try and find a way to help us make sure that the repairs to keep the Kahului Airport, our only lifeline to the world and one of the biggest sectors of the visitor industry, open and on track. Now we could have easily gone with the State of Emergency Declaration from the federal or State level, but I think that would have been bringing up the fears of the speaker from Kailua.

What this says is that, in these certain circumstances. I agree the language probably has to be reviewed as we move forward, but the concept behind it is, that this is necessary for this to move along, then they will look at the SMA process. And the Office of State Planning is going to be working with the State on this. It's not like it's being done in a vacuum. I knew the good former Senator Yamasaki, granted only for a couple of years, and I can tell you, if he was faced with the airport being closed, and coming up with a process like this, I think he would support it.

"It's not to undo our environmental legacy. It's not to destroy our beaches and our surf spots. It's to try and find a way we can keep this critical airport open and yet not throw the baby out with the bathwater, and go for a full on suspension that affects many different segments of the law. So Members, please, I ask you, for the people of Maui, if we lose that airport, we lose our food, our lifeline, our industry, everything. Help us. If this isn't the way to do it, then work with us to come up with a process that will address your concerns. But keep this project going because we cannot afford to lose our lifeline. Thank you very much, Mr. Speaker."

Representative Ward rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, with reservations, and with the suggestion from the Representative from Maui, a carve out of saying this is for populations of less than 200,000 would narrowcast it, and I think cut down some of the

fears that other people have. Because it's true that Maui would be in dire straits without this. Taking away 20 to 30% of its economy is a serious proposition. So let's narrowcast and not broadband it, and not broad scope it to where it, as our good Representative from Kailua said, really turns upside down a lot of good legislation. Thank you."

Representative Keith-Agaran rose to speak in support of the measure, stating:

"In support, Mr. Speaker. Just to follow up on the remarks of the good Representative from Royal Kunia. A federal consistency review assures that all of the CDM interests are going to be considered in any project that goes forward under this very narrow exemption. Obviously this is a bill that is very important to the County of Maui, and to the Representatives from our County. So for those reasons, I do support this bill."

Representative Fontaine rose in support of the measure and asked that the remarks of Representative McKelvey be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Souki rose to speak in support of the measure, stating:

"Yes, Mr. Speaker. In strong support. To give some historic perspective, I served with Senator Yamasaki. I knew him personally and very well. I served with him across the table for a number of years. I'm sure if the Senator was still alive he would approve of this, because I remember when the Senator was alive and the expansion of the Kahului Airport was stopped, even though the FAA recommended approval. The Pilot's Association recommended approval. The Visitor's Bureau recommended approval. And in spite of all of that, those who were opposed to the expansion were able to kill the project.

"The Island of Maui has crosswinds, and it is one of the more dangerous airports to land and to take off from. The request for the expansion was not that for larger planes to come in, but for safety. Till this day, the pilots that land there say that when they land there, they have what they call 'chicken skin,' because of the crosswinds and the ocean just a few feet away from where they land.

"So this measure is a historic measure in a way, because as the Representative from Lahaina ably stated, that if we do not have this exemption and if it should be stopped for any reason, and it was stopped in the past, then we will be without the capability of having tourists arrive and for us to travel throughout the State, or having food supplies to come in to the island. So I think it's very important that this measure pass, and other measures similar to this asking for temporary exemption. Thank you very much, Mr. Chairman and Members."

Representative Wooley rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. In support with reservations. I just want to add that I think everyone in the room wants to help everybody on Maui so that the airport can be constructed in compliance with FAA regulations. I don't think that there's any question that we all support that, and I want to extend that comment to all the Maui Representatives in particular because I know that they're all concerned about this.

"But special legislation is not the answer here, and I think that providing an exemption from the law in all circumstances has no relationship to whether or not we can comply with FAA requirements. They're not related. We can still comply with FAA requirements. We don't need to waive all of our regulations related to our entire area. Thank you, Mr. Speaker."

Representative Chong rose to speak in support of the measure, stating:

"Mr. Speaker, in support. This is, as the Representatives from both Kapolei and Kahului have said, is a very narrow measure, and it still requires certain federal approvals to ensure the coastal areas that we protect. But I do want to speak to some of the concerns that have been brought up, regarding, 'Well, let's just help Maui.' We're an island state in the middle of nowhere. All of our airports are important, on every island. Not just for food, but for jobs. Tourism is one of our largest industries.

"We keep talking about jobs. Here's one of them to help the facilities expand so we can continue. Honestly, I think that the founders of this law would support this, and the reason why is that I don't think they ever expected this law, like many of the others, to be used as legal 'tiddlywinks' to stop projects because people don't want development, or people don't want more people moving here. That's the battle we're having that we're not talking about.

"People with a lot of money who move here, and who want to close the door behind them. What happens to the person who needs tourism for work? Who needs construction for work? Who isn't a 'trust fund baby' or made it big in tech? We need the airports. This narrow exemption will help the airports do the work that they need to do to improve the infrastructure, and improve the safety for travel and for our State."

Representative Pine rose to respond, stating:

"Actually I just would like a few sentences to clarify my strong reservations. I just want to inform the Members as to why I have strong reservations, and just so that you can visualize what happened to my community. In Ewa Beach, what happened was they built a new runway for the airport. And what happened to my community was, Ewa Beach used to be well known as having this thriving ocean with fish and *limu*. It was something that they were well known for.

"People's livelihoods did depend on that lush ocean to be successful for their livelihood. What happened was that when the airport runway was built, it changed the whole circle and flow of the ocean in the area. Now there's very few places that have *limu* anymore. Now when you fish in Ewa Beach, you hardly catch anything. So we are talking about that checks and balances between different types of livelihood, and so that's why I'm not voting no today. But as we proceed throughout this Session with this type of legislation, it is my hope that we don't have to give up one for the other."

Representative Carroll rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker, I would like to have the words of the Representatives from Kapolei, Wailuku, Lahaina, and Kaneohe to be inserted in the Journal as my own. In strong support."

Representative Nakashima rose to speak in support of the measure, stating:

"Thank you, Speaker; I'd like to stand in strong support and written comments, please."

Representative Nakashima's written remarks are as follows:

"Public policy is a dynamic and moving target. Applying the ideas of the past to the present or applying current social norms to the past is an attempt to pass judgment without a full understanding or appreciation of the time, place and cultural values that were present in these different eras. Increasing litigation and the rise of special interests groups with roots in other places have begun to influence and utilize formerly common sense laws into a grotesque maze of bureaucratic red-tape that casts shadows on many critically needed projects such as commercial harbor expansion and small harbor development. These delays deprive the citizens of much needed services and resources and exponentially increase the cost of simple projects."

Representative Keith-Agaran rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Keith-Agaran's written remarks are as follows:

"I support this important measure that temporarily shifts review of compliance with Coastal Zone Management values and concerns to the Office of Planning when a development is necessary to comply with Federal Aviation Administration (FAA) regulations. This shift in responsibility from the County Planning Commission to the Office of Planning will help the State Department of Transportation complete crucial

projects quicker to ensure compliance with FAA regulations concerning requirements such as airfield safety.

"The Office of Planning is the central administrator of Hawaii Revised Statutes Chapter 205A, the State statute implementing the requirements of the Federal Coastal Zone Management (CZM) law. The Special Management Area (SMA) permitting system—administered in the various counties through a combination of Planning Commission or County Council review, or both – is another part of the federal and State approved Hawaii CZM Program. The county processing of SMA permits is supported by federal funding as part of the Hawaii CZM Program.

"The consistency review administered by the Office of Planning—presently for the Kakaako area which is exempt from City and County of Honolulu regulatory reviews. Under this bill, and in compliance with existing federal regulations and processes, the Office of Planning will undertake the same review of CZM values and concerns for the projects covered under this legislation.

"This exemption will apply for a period of less than two years and will be a practical method to ensure compliance with federal regulation to avoid any disruption in air traffic while still ensuring that CZM values and concerns will be reviewed and considered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2154, HD 2, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL MANAGEMENT AREA USE PERMITS," passed Third Reading by a vote of 47 ayes to 4 noes, with Representatives Ching, Hanohano, Riviere and Thielen voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 763-12) recommending that H.B. No. 2608, HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2608, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2608, HD 1, entitled: "A BILL FOR AN ACT RELATING TO DRIVER LICENSING," passed Third Reading by a vote of 51 ayes.

At 10:23 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2599, HD 1  
 H.B. No. 2598, HD 1  
 H.B. No. 1947, HD 2  
 H.B. No. 2004, HD 2  
 H.B. No. 2626, HD 2  
 H.B. No. 2154, HD 2  
 H.B. No. 2608, HD 1

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 764-12) recommending that H.B. No. 2789, HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2789, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Riviere rose to speak in opposition to the measure, stating:

"Opposition, please. About ten years ago, this Body passed the roving van cams and it really blew up. It created a lot of agitation. The vans were called tally vans, and people were furious. The bill was ultimately repealed at a significant cost to our State. This is a Big Brother attempt to ... I don't

know what it's for, other than to generate money. It's just a bad idea so I am in opposition, on this."

Representative Aquino rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Morikawa rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Morikawa's written remarks are as follows:

"I am concerned about the consequence to families when speeding violations are put into their record affecting insurance costs. There are emergency circumstances that may necessitate excessive speed and I am not clear about how those issues would be resolved. A police officer's involvement can alleviate special circumstances. On Kauai, the Department of Transportation has installed speed notification signs. These signs will blink and flash when you are going over the speed limit. It makes people slow down. More so, when other drivers can see how fast you're going. As long as the county will be the entity to implement this law, I could support it, because each county has different lifestyles and policies."

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Johanson rose in support of the measure with reservations and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Johanson's written remarks are as follows:

"I rise in support with reservations on HB 2789, Relating to Highway Safety. I believe we must address the issue of speeding and safety on our roads. As a Representative of a district with several major traffic arteries, including two freeways passing through it, I am keenly aware of the potential negative consequences of speeding and unsafe driving. However, I have concerns about the State's problematic history with similar traffic enforcement mechanisms such as van cams.

"I believe there are certain situations where motorists may inadvertently violate official speed limits by a few miles, such as in sections of State highways where speed limits change abruptly with little notice. The fixed and mounted camera system potentially envisioned by this measure removes the component of human discretion normally accorded to law enforcement officers. I do not want to create a system with no room for discretion that too easily penalizes drivers for unintentional violations. For these reasons, I have significant concerns with this measure."

Representative Yamane rose to speak in opposition to the measure, stating:

"Mr. Speaker, I'm standing in opposition. I just want to say I appreciate the Chair of Transportation and his efforts in trying to reduce speeding. As you know, speeding has killed, and until we get a better handle on this, we still put at risk our first responders, as well as our citizens. However, when the program was initiated years ago, it caused a lot of problems. The way it was implemented caused significant safety concerns at that time. So I understand the Chair is moving this measure on, and he's trying to make improvements and I appreciate that. But at this time, I will be voting no. Thank you."

Representative Pine rose in opposition to the measure and asked that the remarks of Representatives Riviere and Yamane be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Ching rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Marumoto rose to speak in opposition to the measure, stating:

"Mr. Speaker, I'm in opposition to this measure on the van cam bill. You will recall that a few years ago when this went into operation, hundreds of motorists from the Windward side were pulled over. I don't know in what other parts of the island we saw this phenomenon, but it costs these drivers hundreds of thousands of dollars in fees. I mean, maybe millions. And also their insurance probably went up considerably. Just one speeding ticket could cost one person \$240. And if they go over 30 miles above the speed limit they would be paying even more. So this is a very, very expensive proposition. Sometimes people will get pulled over just for going a few miles over the speed limit. It's an awesome machine that could really assess a lot of grief and a lot of money. Thank you, very much."

Representative Cabanilla rose to speak in support of the measure, stating:

"Mr. Speaker, I'm standing in support. I pass by the HOV lane to work in the morning and you see a lot of cars there with only one or two passengers, but mostly one. I keep thinking that maybe if we have a way to ticket those cars without holding up the traffic, that would be great. Because the reasons why there are a lot of violations in that HOV lane is they know they can get away with it. I know there's hesitancy among the policemen to pull them over because that would clog up traffic. So I think this is a measure or a means that we can use to ticket those people without causing a lot of traffic jams. So in this particular instance, the HOV lane, Mr. Speaker, I support this measure."

Representative Souki rose to speak in support of the measure, stating:

"Yes. Thank you very much Mr. Speaker, and Members of the House. I support this measure. I supported the previous measures also. But it should be mentioned that this is unlike the previous measures. There are no van cams that are going to be used. This program, this legislation will provide for the counties to run the program, if they wish to. It's their option. They don't need to run the program. That may allay some of your fears. Hopefully, the county will, because speed kills.

"Almost every night in the news some person dies in a highway accident from speeding. Last year, over 100 of the deaths could be attributed to speed, and I'm sure there were more than that. In the United States, on the mainland, 10,000 deaths a year are because of speed. Mr. Speaker and Members, as legislators, we have a responsibility for the welfare of the people of the State, the health and welfare. A measure like this will provide a safety and health resource for the people of the State. We should be eagerly wanting to have legislation like this where we know that on a small island that's very dense, the highways are very dense, and that makes speeding even more precarious.

"So Members, I hope that as this bill goes along, for those of you that have some concerns, just remember your aye vote may save a life. Remember that. Thank you."

Representative Cullen rose in opposition to the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Cullen's written remarks are as follows:

"Mr. Speaker, I understand that speeding continues to be a problem on our highways and freeway systems within our State. I believe that we should not support such a measure that would provide enforcement, which possibly could be justified with constitutional concerns, as it may not be the owner of the vehicle driving, thus causing a wrongful accusation. We previously had a VanCam system that did not work and proved ineffective for catching speeders on the road. Being that the people from my district and those are required to drive far to get to work in the Downtown area, they are subjected to more enforcement areas in comparison to those who live closer."

Representative Giugni rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2789, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HIGHWAY SAFETY," passed Third

Reading by a vote of 40 ayes to 11 noes, with Representatives Belatti, Cullen, C. Lee, Marumoto, Nishimoto, Pine, Riviere, Takai, Thielen, Wooley and Yamane voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 765-12) recommending that H.B. No. 2790, HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2790, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Riviere rose to speak in opposition to the measure, stating:

"Thank you, in opposition. Likewise this is another Big Brother attempt to stifle things. I understand the hazards, and the dangers, and the problems that are caused by people running red lights. A few years ago there was a really tragic situation where a drunk driver came down the Pali and he ended up T-boning a car and killed the person in the intersection. My point on this is not to recreate the tragedy or to expound upon that, but to point out that a camera at the intersection would not have prevented that accident. That drunk was going to fly through that intersection and plow that car. The only thing the camera would have done is taken a picture of the accident. That whole thing is just tragic.

"Why I'm opposed to this is it's oppressive. There's no discretion. If you roll your car into the crosswalk, you're probably guilty of entering. You cross into the crosswalk by a foot, guilty. There's a ticket. You don't even know you've done this. It arrives in the mail. My son, my 12-year old son said something to me the other day that was pretty insightful. He said, 'Dad, if the problem is people are running the red lights, why don't we put a policeman there. And dad, if they're going to put the traffic camera at a certain intersection and then move it from time to time, why don't they just beef up a policeman. Make him more visible until people get the idea.' And to me, that is just so much more prudent and appropriate. And for those reasons, I'm in opposition to this bill. Thank you."

Representative Herkes rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In support. Mr. Speaker, if motorists know they're being watched, they're going to be a lot more careful. In the bill before and this bill, if they motorists would just follow the law, we wouldn't need these two bills. Thank you."

Representative Fontaine rose to speak in support of the measure, stating:

"Yes, Mr. Speaker. In support. To address a previous statement about putting police officers at the intersection, unfortunately we cannot put a cop on every corner. I believe this measure will work towards having people have second thoughts about running red lights. I know in my particular district, the red lights, to some of our residents it seems to be optional to stop, and they proceed through intersections regardless of what the color of the light is. We've seen very many tragic accidents occur from red lights. This is not like the speeding bill before this where you have a 10 miles an hour over, or 5 miles an hour over, or 1 mile an hour over. This is pretty black and white. You either run the red light, or you don't. And this will help enforcement of those people who find traffic lights to be something of an optional thing to abide by. Thank you."

Representative Johanson rose in support of the measure with reservations and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Johanson's written remarks are as follows:

"I rise in support with reservations on HB 2790, Relating to Highway Safety. I believe we have a responsibility to ensure safety on our roads and I recognize the extreme hazard posed by drivers who fail to obey stop lights and signs. However, because of our State's problematic experience with traffic cameras and photo enforcement, I have concerns with the details in this particular measure. I do hope that the provisions in this bill

may serve as a deterrent and encourage traffic safety in our community, and for these reasons I stand in support with reservations on this measure."

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2790, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HIGHWAY SAFETY," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Pine and Riviere voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 767-12) recommending that H.B. No. 1754, HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1754, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Keith-Agaran rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I support of this measure which promotes the efficient administration of elections. Despite efforts to coordinate redistricting so that boundaries of election districts for different offices conform, inevitably there will be and are small neighborhoods or communities which require unique ballots. This measure allows a County Clerk to mail ballots to each resident of such pocket communities – not exceeding 500 voters – if the Chief Election Officer, or the Clerk in a County-only election, determines that a separate polling station will not be established for such voters.

"This measure balances the important interests of maintaining fair and efficient elections, maximizing voter participation while also containing government expense. Voters will not have to travel to inconvenient polling stations and polling stations will not have to be set up and staffed where they would only be used by a handful of voters."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1754, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 768-12) recommending that H.B. No. 1756, HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1756, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGN SPENDING," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 772-12) recommending that H.B. No. 2251, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2251, pass Third Reading, seconded by Representative Evans.

Representative Keith-Agaran rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I support of this measure which promotes the efficient administration of elections. This measure would permit the mailing of ballots to voters who live on an island that is not contiguous to



their county seat in counties with a population less than 100,000. As an example, in the County of Kauai, this measure will ensure that all voters on the Island of Niihau will get their ballots and are able to vote without the expense of establishing and staffing a polling station there on election day. This proposal should help maximize voter participation while conserving public resources."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2251, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 773-12) recommending that H.B. No. 1755, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1755, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Keith-Agaran rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I support HB1755 HD2 which is another bill that brings Hawaii's election laws into the digital age. This measure allows for online voter registration through the use of an electronic application for registration. This bill also amends the record keeping requirements affecting the maintenance of voters' names, affidavits of registration, and the use of tabulating cards, computer tapes, the register, and voter lists to reflect the practical realities brought on by better technology and modern best practices.

"By establishing online voter registration, we modernize voter registration for the 21st Century and reduce barriers to voting. Online voter registration will make participation more accessible and convenient. Also, online voter registration streamlines the enrollment process. Studies have shown that online voter registration leads to greater accuracy as to the voter rolls and saves significant money in the long term.

"Furthermore, due to ongoing national and local problems with identity theft, it is clearly advisable to reduce the government's use of a person's whole social security number whenever possible. Thus, this bill requires the Chief Election Officer and county clerks to consider and report on the feasibility of using the last four digits of a person's social security number in lieu of using that number in its entirety in voter registration and record keeping.

"I appreciate that the Elections Office brought this proposal forward after the Governor vetoed a similar proposal after last Session. Hopefully the Elections Office will move forward on this project and Hawaii can implement these changes by the 2014 elections."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1755, HD 2, entitled: "A BILL FOR AN ACT RELATING TO VOTER REGISTRATION," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 774-12) recommending that H.B. No. 2401, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2401, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Keith-Agaran rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I strongly support this proposal for a constitutional amendment that ensures concerns from every island will be represented directly on the next Reapportionment Commission.

"This amendment, if adopted by Hawaii's voters, will require that the members of the Reapportionment Commission selected by the Senate President and Speaker of the House of Representatives, and the members selected by each of the legislators from the party or parties that are different from the Speaker and President's respective parties, be residents of different counties.

"While there are advisory councils for each of the four larger counties presently, this measure would make it possible for every county to have a representative on the Reapportionment Commission. As the League of Women voters said in its testimony in support, while not providing for strict proportionality, this constitutional amendment, "would be a fairer geographic balance than the current approach."

"In the current Reapportionment, each of the current Advisory Councils raised concerns about whether the Reapportionment Commission was complying with the constitutional requirements regarding the base population of permanent residents. It made a difference to the Neighbor Islands who stood to gain additional representation in the legislature if the constitutional provision was followed.

"The perception of fairness is critical in a democracy. After the recent reversal of a decision of the current Reapportionment Commission by the Hawaii Supreme Court on Neighbor Island representation, it is essential that we take steps to restore the confidence of all Hawai'i in future Reapportionment Commissions. This measure will ensure both fairness and the perception of fairness."

Representative Marumoto rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative Ward rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, with reservations. The problem is it needs to be fixed because Oahu, where there is the majority of the population, this bill swings it to where it becomes a minority population, and probably doesn't represent really what the intent of the author is here. Thank you."

Representative Saiki rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Saiki's written remarks are as follows:

"Mr. Speaker, I support this measure because it represents an attempt to impose standards upon the selection of members of the Reapportionment Commission. However, I submit written remarks to emphasize that our reapportionment model requires fine-tuning. Although our model is preferable to reapportionment plans that are drafted by legislative bodies (as is still done in other jurisdictions), it became apparent this year that qualifications for commission members may need to be imposed. Specifically, the issue of whether legislative staff members and registered lobbyists should be eligible to serve on the commission requires consideration. Otherwise, as was demonstrated this year, the inherent or implicit conflicts that arise may subject the work of the commission to public scrutiny, legal action, and delay, as is evidenced by the attached testimony that was submitted to the Reapportionment Commission on February 29, 2012. It is important that Hawaii's reapportionment model be strengthened so that it will garner the public's confidence in government.

"Thank you very much."

Representative Saiki also submitted the following testimony:

TESTIMONY  
Reapportionment Commission  
February 29, 2012

*4:29 PM 1:55 PM  
Caym*

Good Afternoon

My name is Sylvia Luke. Thank you for this opportunity to testify before the Reapportionment Commission. I greatly appreciate the time and effort you have put into redrawing the district lines. I specifically want to thank the Office of Elections staff and the commission staff members who have put in countless hours and served without question to carry out the directives from the commission.

I mean no disrespect but I would like to point out that the current district lines proposed by the technical committee are problematic due to the following. My testimony focuses on the Oahu House district lines.

The district lines proposed by the technical committee violate Hawaii's State Constitution as it is drawn to unduly favor a person or a political faction. This is a constitutional mandate imposed on the commission and the commission must make attempts to cure even the appearance of such.

To demonstrate, I would like to present to the Commission a chart showing that the members of the political faction who opposed Speaker Calvin Say were more severely impacted by the district lines. For example, districts currently held by the opposing faction had substantial increase in new residents as compared those held by Say's supporters.

I would like to present to the Commission a report by Tom Ramsey, Ph.D., in Mathematics at the University of Hawaii who opined as follows:

1. Among the ten legislators with the lowest percent of new voters there was no opposing faction legislators.
2. At the other extreme, among the six legislators with the highest percent of new voters, five were opposing faction legislators.
3. On average, opposing faction legislator will have 52 percent new voters. In comparison, the members who support Say have only 24.9 percent new voters.

Based on the above, Dr. Ramsey concluded that the manner in which the district lines were redrawn to disfavor the opposing faction was deliberate.

The district lines proposed by the technical committee also violate Hawaii's State Constitution as they are not contiguous and compact and do not follow geographical features.

I would like to present to the Commission how the proposed maps break up neighborhoods as illustrated in red on the attached maps.

The district lines proposed by the technical committee also violate the United States Constitution as the deviation between the largest House district and the smallest House district is as much as 20 percent. Within Oahu, the deviation between districts is as high as 9.9 percent. Use of different target population for each island unit, the high statewide deviation, and the high Oahu deviation rate violates the standard set forth by *Travis v. King*.

I would like to present to the Reapportionment Commission an alternative map that uses the Commission's previously adopted September 2011 plan as a starting point. The September plan was rational in that it respected natural boundaries and established political borders, preserved communities and created only two new open districts.

Making minimal changes to the previously adopted plan while extracting 108,767 persons preserves the thorough vetting and extensive public input the plan already received over the last year.

This alternative plan shows that it is unnecessary to drastically alter the previously adopted September plan, create new open districts, or favor one faction over another. This alternative plan minimizes changes, preserves the integrity of communities, and reflects the intent of the previously adopted plan.

I would also like to submit the following additional exhibits:

Exhibit List

1	Letter to Speaker Calvin K.Y. Say dated December 6, 2010, regarding leadership impasse.
2	Report: Campaign Spending Commission's Amended Organizational Report for Citizens for Responsive Government. Amended September 7, 2011. 2 pages
3	Report: Campaign Spending Commission, Noncandidate Committee Contribution and Expenditure Report – Citizens for Responsive Government, Schedule B1. 2010-2012 Supplemental July 1 – December 31, 2011. 3 pages
4	Report: There is Strong Evidence of Factional Discrimination in the Proposed Apportionment Plan by Tom Ramsey, Ph.D. - Mathematics February 28, 2012. 2 pages
5	News Article: Isle legislators pool for funds – both parties form their own political action committees by Borreca, R. (2003, April 2) <i>Star Bulletin</i> . 2 pages
6	News Article: Inouye sorry for involving legislator in feud by DePledge, D. (2006, December 30) <i>Honolulu Advertiser</i> . 2 pages
7	News Article: Say will return as House Speaker by DePledge, D. (2006, November 14) <i>Honolulu Advertiser</i> . 2 pages
8	News Article: State House is in need of real reform by Saiki, S. & Luke, S. (2006, December 24) <i>Hawaii Tribune-Herald</i> . 1 page
9	News Article: The freshman rebel by Bolante, R. (April 2007) <i>Honolulu Magazine</i> . 1 page
10	News Article: Say retains state House speaker job by Advertiser Staff (2008, November 11) <i>Honolulu Advertiser</i> . 2 pages
11	Blog: Political group appears linked to House Speaker by Lind, I. (2010, October 21) <a href="http://lind.net">http://lind.net</a> . 2 pages
12	News Article: Dissident group lining up to tackle House Speaker Say by Borreca, R. (2010, November 23) <i>Star Advertiser</i> . 2 pages
13	News Article: Say is one vote shy of returning as House speaker by Niese, M. (2010, December 3) <i>Star Advertiser</i> . 2 pages

14	News Article: House dissidents challenge speaker by DePledge, D. (2010, December 9) <i>Star Advertiser</i> . 1 page
15	News Article: Teams by DePledge, D. (2011, January 3) <i>Star Advertiser</i> . 3 pages
16	News Article: House Republicans will help Say retain leadership post by DePledge, D. (2011, January 7) <i>Star Advertiser</i> . 2 pages
17	News Article: Stalemate Broken: House republican caucus backs Calvin Say for Speaker by Walden, A. (2011, January 7) <i>Hawaii Free Press</i> . 1 page
18	News Article: House Republicans back Say as Speaker, focus on not raising GET by Hawaii Independent Staff (2011, January 7) <i>the Hawaii Independent</i> . 3 pages
19	News Article: House Republicans to support Say as Speaker by DePledge, D. (2011, January 8) <i>Star Advertiser</i> . 2 pages
20	News Article: House power-sharing talks are at an impasse by DePledge, D. (2011, January 11) <i>Star Advertiser</i> . 1 page
21	News Article: Speaker Say, take GOP's offer by Star Advertiser Staff (2011, January 12) <i>Star Advertiser</i> . 2 pages
22	News Article: Leadership void persists by DePledge, D. (2011, January 19) <i>Star Advertiser</i> . 3 pages
23	News Article: House Vice Speaker Manahan announces bid for City Council by Star Advertiser Staff (2012, February 2) <i>Star Advertiser</i> . 1 page
24	News Article: The Speakers PAC by Blair, C. (2012, February 13) <i>Honolulu Civil Beat</i> . 3 pages
25	News Article: New voter maps leave incumbents at odds by Reyes, B.J. (2012, February 28) <i>Star Advertiser</i> . 2 pages
26	Excerpt: <i>An Unlikely Revolutionary – Matsuo Takabuki and the Making of Modern Hawai'i</i> . University of Hawaii Press. pp. 74-75
27	Excerpt: <i>John A. Burns – The man and his times</i> . University Press. pp.218-225, 230-233

28	Excerpt: <i>Journal of the House of Representatives of the Twenty-Fourth Legislature, State of Hawaii – Regular Session of 2007</i> . pp. 4-7
29	% New Voters Between Proposed Map and Alternative Map
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ORG\_Report

https://nc.csc.hawaii.gov/NCFSPublic/ORG\_Report.php?OR\_ID=201

STATE OF HAWAII  
CAMPAIGN SPENDING COMMISSION

**ORGANIZATIONAL REPORT  
NONCANDIDATE COMMITTEE**

THIS REPORT IS FILED FOR THE FOLLOWING PURPOSE:  Registration of New Committee  Amended

**1. NONCANDIDATE COMMITTEE:**

(a) Committee Name:	Citizens for Responsive Government	2. Area, Scope, or Jurisdiction:	Other
(b) Address:	P.O. Box 23031 Honolulu HI 96823	(a) Political Party:	
(c) Phone:	593-1308	(b) Ballot Issue Description:	
		(c) Single Candidate Name:	

**3. COMMITTEE DEPOSITORY (Bank):**

(a) Name:	Bank of Hawaii
(b) Address:	101 N. King St. Honolulu HI 96817
(c) Account Number:	

**OFFICERS:**

**4. CHAIRPERSON**

(a) Name:	Azama, Calvin T.
(b) Address:	1560 Kanunu St. #1012 Honolulu HI 96814
(c) Phone: (Bus)	(808) 779-9701
(Res)	
(d) Occupation:	Staff
(e) Principal Place of Business:	Honolulu, HI

**5. TREASURER**

(a) Name:	Azama, Calvin T.
(b) Address:	1560 Kanunu St. #1012 Honolulu HI 96814
(c) Phone: (Bus)	(808) 779-9701
(Res)	
(d) E-mail Address:	
(e) Occupation:	Staff
(f) Principal Place of Business:	Honolulu, HI

**6. CUSTODIAN OF BOOKS AND ACCOUNTS**

(a) Name:	Yoshimura, Dwight L.
(b) Address:	1539 Ala Aolani St. Honolulu HI 96819
(c) Phone: (Bus)	(808) 292-3064
(Res)	
(d) Occupation:	Staff
(e) Principal Place of Business:	Honolulu, HI

**7. DEPUTY CHAIRPERSON**

(a) Name:	
(b) Address:	
(c) Phone: (Bus)	
(Res)	

**8. DEPUTY TREASURER 1**

(a) Name:	
(b) Address:	
(c) Phone: (Bus)	
(Res)	

1 of 3

Exhibit 2

2/27/2012 1:15 P

3



HOUSE OF REPRESENTATIVES

December 6, 2010

The Honorable Calvin K.Y. Say  
State Capitol, Room 431  
Honolulu, HI 96813

Dear Speaker Say:

For five weeks, House Democrats have been at an impasse over who should lead the House of Representatives. You have represented your community for 34 years, and have served as Speaker longer than any other Representative. We thank you for both your service and sacrifice throughout these decades.

However, Hawaii has entered a new era. The House of Representatives must be open to change.

Recently in the House there has been little collective discussion or planning to address our most pressing issues, not even a package of priority bills from our Democratic caucus. Improving public schools, reforming government, protecting our environment, and safeguarding civil rights are important to Hawaii's future, yet many of these initiatives have been stalled or derailed.

Too often votes are traded for pet projects and positions without regard to a larger policy agenda. We believe that the challenges facing Hawaii are too great to continue this practice. Leadership must focus on resolving the larger challenges, and not just narrow issues that benefit only a few.

The House requires strong leadership that will be bold, will craft a democratic agenda, and will embrace open and inclusive decision-making. The House requires leadership that will work productively with the new Governor, Senate, and Congressional delegation. The House requires leadership that will restore public confidence in how we make decisions.

The 2011 Legislative Session will begin in five weeks and there is much to do. We respectfully request that you work with us to find a leadership compromise that will unify and rebuild our House. Only by working together can we move Hawaii forward and give everyone a better future.

Sincerely,

- |                                  |                            |                               |
|----------------------------------|----------------------------|-------------------------------|
| <i>Rep. Della Au Belatti</i>     | <i>Rep. Tom Brower</i>     | <i>Rep. Mele Carroll</i>      |
| <i>Rep. Denny Coffman</i>        | <i>Rep. Cindy Evans</i>    | <i>Rep. Faye Hanohano</i>     |
| <i>Rep. Gilbert Keith-Agaran</i> | <i>Rep. Chris Lee</i>      | <i>Rep. Sylvia Luke</i>       |
| <i>Rep. Dee Morikawa</i>         | <i>Rep. Hermina Morita</i> | <i>Rep. Mark Nakashima</i>    |
| <i>Rep. Scott Nishimoto</i>      | <i>Rep. Scott Saiki</i>    | <i>Rep. Maile Shimabukuro</i> |
| <i>Rep. K. Mark Takai</i>        | <i>Rep. Roy Takumi</i>     | <i>Rep. Jessica Wooley</i>    |

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(d) Occupation:		(d) Occupation:	
(e) Principal Place of Business:		(e) Principal Place of Business:	

**9. DEPUTY TREASURER 2**

(a) Name:	
(b) Address:	
(c) Phone: (Bus)	
(Res)	
(d) Occupation:	
(e) Principal Place of Business:	

**10. DEPUTY TREASURER 3**

(a) Name:	
(b) Address:	
(c) Phone: (Bus)	
(Res)	
(d) Occupation:	
(e) Principal Place of Business:	

**11. DEPUTY TREASURER 4**

(a) Name:	
(b) Address:	
(c) Phone: (Bus)	
(Res)	
(d) Occupation:	
(e) Principal Place of Business:	

**12. DEPUTY TREASURER 5**

(a) Name:	
(b) Address:	
(c) Phone: (Bus)	
(Res)	
(d) Occupation:	
(e) Principal Place of Business:	

PLEASE READ CAREFULLY AND CHECK THE BOX IF IT APPLIES:  
 I do not plan to receive contributions or make expenditures in aggregate of more than \$1,000 during the election period. If I exceed the \$1,000 threshold, I understand that I must submit the required Disclosure Reports. Failure to file the required Disclosure Reports will result in a penalty pursuant to section 11-193(a)(5), Hawaii Revised Statutes.

2 of 3

2/27/2012 1:15 PM

Cc: Majority Members

Exhibit 1

STATE OF HAWAII - CAMPAIGN SPENDING COMMISSION

Committee: Citizens for Responsive Government  
Report On: 2010-2012 Supplemental July 1 - December 31, 2011

Schedule B1 - Contributions to Candidates

Name and Address	Date	Non-Monetary Category	Amount
		Non-Monetary Description	Aggregate
Aquino, Henry Friends of Henry Aquino PO Box 57081 Waipahu HI 96797	08/01/2011		\$2,000.00
Awana, Karen Friends of Karen Awana 86-083 Farrington Hwy. Waianae HI 96792	08/01/2011		\$2,000.00
Cabanilla, Rida Friends of Rida Cabanilla PO Box 60490 Ewa Beach HI 96706	08/01/2011		\$2,000.00
Chang, Jerry Friends of Jerry Chang 116 Puhili St. Hilo HI 96720	08/01/2011		\$2,000.00
Chong, Dwight Friends of Pono Chong PO Box 6602 Kaneohe HI 96744	08/01/2011		\$2,000.00
Choy, Isaac Friends For Isaac W. Choy 2733 E. Manoa Road Honolulu HI 96822	08/01/2011		\$2,000.00
Coffman, George Friends of Denny Coffman 77 258 Ho'okua'ana Street Kaliua Kona HI 96740	08/01/2011		\$1,000.00
Cullen, Ty Diaz Friends of Ty Cullen 94-171 Kehela Pl. Waipahu HI 96797	08/01/2011		\$2,000.00
Har, Sharon Friends of Sharon Har P.O. Box 101 590 Farrington Highway #210 Kapolei HI 96707	08/01/2011		\$2,000.00
Hashem, Mark Friends of Mark Hashem P.O. Box 240965 Honolulu HI 96824-0965	08/01/2011		\$2,000.00
Herkes, Robert Friends of Bob Herkes	08/01/2011		\$2,000.00

https://nc.csc.hawaii.gov/NCFSReport/RPT2010/20120130181241NC20178SB1.html 2/28/2012  
File\_SBI Page 2 of 3

P.O. Box 313 Volcano HI 96785			\$2,000.00
Ichiyama, Linda Friends of Linda Ichiyama P.O. Box 1707 Aiea HI 96701	08/01/2011		\$2,000.00
Ito, Ken Friends of Ken Ito P.O. Box 4354 Kaneohe HI 96744	08/01/2011		\$2,000.00
Jordan, Georgette "Jo" Friends of Jo Jordan PO Box 1398 Waianae HI 96792	08/01/2011		\$2,000.00
Lee, Marilyn "Ohana O Marilyn" 95-170 Newe Place Milliani HI 96789	08/01/2011		\$2,000.00
Manahan, Joey Friends of Joey Manahan 1250 Richard Lane, #A408 Honolulu HI 96819	08/01/2011		\$2,000.00
McKelvey, Angus McKelvey for House P.O. Box 847 Lahaina HI 96761	08/01/2011		\$2,000.00
Mizuno, John Friends of John Mizuno PO box 215 Honolulu HI 96810	08/01/2011		\$2,000.00
Kawakami, Derek Friends of Derek Kawakami P.O. Box 3136 Lihue HI 96766	08/01/2011		\$2,000.00
Oshiro, Blake Friends of Blake Oshiro P.O. Box 745 Aiea HI 96701	08/01/2011		\$2,000.00
Oshiro, Marcus Friends of Marcus R. Oshiro P.O. Box 861149 Wahiawa HI 96786	08/01/2011		\$2,000.00
Tokioka, James Friends of James Kunane Tokioka 2512 Kanio Road Lihue HI 96766	08/01/2011		\$2,000.00
Tsuji, Clifton Friends of Cliff Tsuji 1382 Auahi Place Hilo HI 96720	08/01/2011		\$2,000.00
Yamane, Ryan Friends of Ryan Yamane 94-1466 Okupu Street Waipahu HI 96797	08/01/2011		\$2,000.00

https://nc.csc.hawaii.gov/NCFSReport/RPT2010/20120130181241NC20178SB1.html 2/28/2012

Yamashita, Kyle Good Friends of Kyle Yamashita P.O. Box 880989 Pukalani HI 96788	08/01/2011		\$2,000.00
Rhoads, Karl Friends of Karl Rhoads P.O. BOX 37443 Honolulu HI 96837-0443	08/01/2011		\$2,000.00
Souki, Joseph Friends of Joseph Souki P.O. Box 632 Wailuku HI 96793	08/01/2011		\$2,000.00
<b>Total</b>			<b>\$53,000.00</b>

https://nc.csc.hawaii.gov/NCFSReport/RPT2010/20120130181241NC20178SB1.html 2/28/2012

There Is Strong Evidence of Factional Discrimination  
in the Proposed Apportionment Plan

Tom Ramsey, Ph.D., Mathematics  
February 28, 2012

Visually, there is a strong pattern of discrimination in the percent of new voters assigned to proposed House districts on Oahu--see page 2 for the table of data. The pattern is so strong that any reasonable person would regard it with suspicion:

1. For example, among the ten legislators with the lowest percent of new voters there is NO dissident.
2. At the other extreme, among the six legislators with the highest percent of new voters, five are dissidents.
3. On average, a dissident legislator will have 52.0% new voters. On average, the non-dissidents have only 24.9% new voters. Dissidents have, on average, more than twice as many new voters as do non-dissidents.

The Wilcoxon rank sum test is designed to confirm such suspicion or remove it. In this case, it confirmed it. The chance that a fair process would produce such an unusual pattern is 1.21 in 1000. A reasonable person should conclude that the unfair treatment is deliberate.

**Technical Notes:** The Wilcoxon rank sum test provides a measure of how unusual is a pattern of numbers. It uses only the ranks of the numbers. The rank of a number is its position in relation to all the other observations. To learn about this test, see pages 630 through 638 of the twelfth edition of "Introduction to Probability and Statistics", by William Mendenhall, Robert J. Beaver and Barbara M. Beaver.

For the data on Page 2, the one-sided p-value for the pattern of ranks is 0.00121, which is 1.21 in 1000. Such astonishingly rare p-values can't be found in published tables. In this case, it was computed by calculating the rank sum for every possible subset of size 9 chosen from the 28 observed ranks in the table on Page 2. There are 6,906,900 of these subsets. If nine ranks had been assigned randomly and fairly, most rank sums would be much lower than the rank sum observed for the 9 dissident legislators.

**Professional Sketch:** I am a professor of mathematics at the Manoa campus of the University of Hawaii, and department chair. I have taught both statistics and probability many times. For the past three years, I have taught stochastic (random) differential equations for the Master of Financial Engineering Program in the Shidler School of Business.

**Institutional Disclaimers:** The opinions of this report are not the official view of the University of Hawaii and are not the official view of the department of mathematics.

Exhibit 4

Pattern of Factional Discrimination			
District	Faction	% New Voters	Rank
42	Say	0.0	1
32	Say	3.9	2
44	Say	5.7	3
36	Say	7.3	4
43	Say	9.0	5
28	Say	9.9	6
46	Say	10.9	7
20	Say	12.6	8
38	Say	17.1	9
49	Say	18.8	10
22	Dissident	19.3	11
24	Say	21.6	12
51	Dissident	27.5	13
18	Say	30.8	14
37	Say	36.4	15
33	Say	38.8	16
26	Say	39.9	17
21	Dissident	41.8	18
41	Say	44.8	19
39	Say	45.3	20
23	Dissident	48.8	21
29	Say	57.6	22
25	Dissident	58.1	23
35	Dissident	59.7	24
47	Dissident	59.9	25
48	Say	62.1	26
33	Dissident	68.4	27
23	Dissident	84.2	28

Rank sum for dissidents: 11+13+18+21+23+24+25+27+28=190  
 This high a sum, for 9 ranks at random, is unusual.  
 p-value (low means unusual): 0.00121

estimated crowd of 400.

Organizational papers for the Citizens for Responsive Government PAC were filed in December 2001 by former state Rep. Clarice Hashimoto, who said the PAC was formed to help elect Democrats to the House.

The PAC was modeled after the GOP House PAC, Say said.

"They are the Goliath, and we are David in comparison," Say said.

The committee reports raising \$20,200 last year, with most of the funds coming from lobbyists and lobbying organizations. Developer Robert Kobayashi gave \$2,000, as did Kobayashi Development. Hidano Construction gave \$1,000.

Others giving \$1,000 included Island Insurance, Monarch Insurance, IBEW Local 1357 and Hawaii Medical Service Association and lobbyist G.A. "Red" Morris, who represents business and development interests.

Contributions of \$500 were given by SSFM, the engineering firm that, according to the Campaign Spending Commission, has given about \$400,000 to more than half a dozen local political candidates during the past decade.

Also giving \$500 were John Radcliffe, a business and union lobbyist, and Linda Chu Takayama, who represents health care companies and groups.

Say explained that the House Democratic PAC sent requests for contributions to all registered lobbyists in the state and also to donors to the Republican Lincoln Day dinner.

The money will go to hire a campaign consultant for House Democratic candidates and provide them money for the general election next year.

"It will show support for our House incumbents and new candidates," Say said.

Last year, the House Democrats gave \$7,000 to Kim Devlin, a national Democratic political consultant, who helped design campaign mailings for Democrats.

The Senate GOP PAC was formed at the request of Senate GOP leader Fred Hemmings (R, Lanikai-Waimanalo).

"This way, people will be able to see more balance in the Senate," said Hemmings, who has five GOP votes in the 25-member Senate.

<http://archives.starbulletin.com/2003/04/02/news/story12.html>

2/28/2012



Wednesday, April 2, 2003

--Sponsored Links--

## Isle legislators pool for funds

Both parties form their own political action committees

By Richard Borreca  
[rborreca@starbulletin.com](mailto:rborreca@starbulletin.com)

Politicians usually turn to political action committees, or PACs, for campaign funds. Now they are forming their own PACs to raise money.

The first PAC for legislators was organized in 1995 to help elect Republicans to the state House. GOP PAC numbers have increased to 15 this year from seven in 1995, with an all-time high of 19 in 2000. PACs are usually formed by a group that wants to influence public policy or legislative voting.

The trend is occurring because politicians are looking for new ways to raise money for candidates of their respective parties.

Bob Watada, Campaign Spending Commission director, said there are no prohibitions on politicians forming PACs.

"Anybody can form a noncandidate committee," Watada said.

The Republicans in the Senate just formed a PAC this year but will not hold the first fund-raiser until next month at the GOP state convention on the Big Island.

Monday evening, the Committee for Responsive Government, the PAC affiliated with the Democrats in the House, held a \$100-a-ticket fund-raiser at the Rumors nightclub at the Ala Moana Hotel. House Speaker Calvin Say gave a short speech thanking the

--Sponsored Links--

The Senate GOP PAC will also be charging \$100 for its breakfast fund-raiser during the May GOP convention.

Republicans in the state House hope to raise \$100,000 for next year's campaign. Rep. Chris Halford (R, Makena-Kihei) said last year the GOP was able to raise almost \$60,000.

The money goes for candidates in the form of direct subsidies, Halford said.

"Our goal is to give support to 51 Republican House candidates," Halford said.

### State of Hawaii

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Posted on: Sunday, December 10, 2006

### Inouye sorry for involving legislator in feud

By Derrick DePledge  
Advertiser Government Writer

U.S. Sen. Daniel K. Inouye has apologized to Big Island state Rep. Dwight Takamine for asking Takamine to help mediate an internal House leadership fight in November, fearing his request may have cost Takamine the chairmanship of the powerful House Finance Committee.

Takamine, D-1st (N. Hilo, Hamakua, N. Kohala), was removed as chairman in a leadership shakeup after state House Speaker Calvin Say, D-20th (St. Louis Heights, Palolo, Wilhelmina Rise), overcame a dissident faction of lawmakers trying to replace him as speaker. State Rep. Marcus Oshiro, D-39th (Wahiawa), one of Say's allies, has taken over the Finance committee.

Inouye, D-Hawaii, and Democratic Party of Hawaii Chairman Mike McCartney had met with House leaders during the dispute and had urged them to resolve the situation in a way that would allow them to all work together afterward. Inouye, according to some people who attended the meeting at the party's headquarters, had asked Takamine to serve as sort of a mediator.

Takamine apparently stayed neutral until Say called for a leadership vote on Nov. 13, the sign Say had enough votes within the Democratic caucus to win. In the days that followed, several Democrats and union leaders had asked the leadership not to punish Takamine with the dissidents.

But one lawmaker familiar with what happened said some of Say's allies believed "there needed to be heads on stakes" as a warning to future plotters.

In a Nov. 28 letter, Inouye wrote Takamine that he may have made things worse with his request, "with more, not less blood, on the floor." Copies of the letter were sent to Say and state Rep. Sylvia Luke, D-26th (Punchbowl, Pacific Heights, Nu'uuanu Valley), one of the dissidents, who lost her chairmanship of the House Judiciary Committee in the shakeup.

"Dwight, I am truly sorry," Inouye wrote. "Had I had any inkling of the harmful position I asked you to assume, I would never have done it. My request to you was based on the high regard I hold you and that you are held in to both chambers and many leadership circles from business, nonprofits to labor.

"It was also based on the need to at least try to get beyond the factions and focus on strengthening the institution in light of our Democratic victories at the polls. Too much energy had been focused on fighting and stymieing each other across the caucus table, all the while giving the governor upstairs a free ride."

Inouye closed the letter by writing, "I owe you one."

Takamine and Say could not be reached yesterday for comment on Inouye's letter.

Luke, who attended the meeting with Inouye and McCartney, said she expected she might lose her chairmanship if the attempt to replace Say failed but said Takamine was not among the dissident faction. Luke said leadership is sending a message that lawmakers who do not show their loyalty will be punished.

"With this letter, it was pretty clear there was no misunderstanding," she said of Takamine's role.

<http://the.honoluluadvertiser.com/article/2006/Dec/10/In/FP612100366.html?print=on> 12/11/2006  
Exhibit 6

But Oshiro, who also attended the meeting, said it was never made clear that Takamine was supposed to mediate. Oshiro said he had considered Takamine among the lawmakers who had not committed to Say before the leadership vote was called. Had Takamine committed, Oshiro said, he probably would have kept the Finance committee, which he had led since Say became speaker eight years ago.

"At the end of the day, my job was to count the votes," said Oshiro, who was majority leader at the time. "In my mind, he never committed to Calvin."

Say acknowledged after he retained the speakership that it would be harder for him to keep control over such a large caucus, which has grown to 43 Democrats. The dissidents, who also unsuccessfully tried to replace Say after the 2004 elections, have said they would be more publicly vocal next session about their disagreements with leadership rather than keep their differences within the caucus.

This discord could be a problem for House Democrats if the disagreements involve parts of the majority legislative package or issues where they are trying to stay unified when negotiating with the Senate or the Republican governor.

State Rep. Scott Saiki, D-22nd (McCully, Pawa'a), who was ousted as majority leader after the leadership turmoil in 2004, said he hoped the leadership's treatment of Takamine was not a reflection of how the House will operate over next two years. "The House leadership, in effect, killed the messenger," he said.

Reach Derrick DePledge at [ddepledge@honoluluadvertiser.com](mailto:ddepledge@honoluluadvertiser.com).

**Back**

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Tuesday, February 21, 2012

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Posted on: Tuesday, November 14, 2006

### Say will return as House speaker

By Derrick DePledge  
Advertiser Government Writer

State House Democrats voted yesterday to keep veteran House Speaker Calvin Say in power, closing off a move by several younger lawmakers who have been privately angling for a new leader.



Calvin Say

Say asked House Democrats yesterday to fill out questionnaires about their interests and will meet with lawmakers over the next few days before announcing his leadership team and committee assignments. Say would not commit yesterday about whether the chairmanships of influential committees such as the House Finance Committee might change.

While House leadership will remain in familiar hands, there were increasing signs yesterday that Democrats in the state Senate may choose new leadership to replace President Robert Bunda.

Say, who has been House speaker for the past eight years, acknowledged that it will be more difficult to keep control of the growing Democratic caucus on policy issues. Democrats picked up two seats in the elections last week after gaining five seats in 2004. Democrats have a 43 to 8 advantage over Republicans in the House.

"I believe it will and I'm not the type of the old school where I'm going to be twisting arms," said Say, D-20th (St. Louis Heights, Palolo, Wilhelmina Rise). "If the votes are there, they're there. If they are not there, they're not there."

<http://the.honoluluadvertiser.com/article/2006/Nov/14/In/FP611140357.html>  
Exhibit 7



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2/21/2012

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Say said issues such as public education, prescription drug coverage, long-term care, and land use, particularly the availability of water for agriculture and new homes, will likely be priorities for the upcoming session. He said he would try to work collaboratively with Republican Gov. Linda Lingle.

Both Say loyalists and the faction interested in a new leader had been lining up votes over the past several weeks. Say's allies were confident they had enough votes but, at one point late last week, they thought it might be close.

Say and several others said the likely challengers were Vice Speaker K. Mark Takai, D-34th (Pearl City, Newtown, Royal Summit), state Rep. Sylvia Luke, D-26th (Punchbowl, Pacific Heights, Nu'uuanu Valley), and state Rep. Roy Takumi, D-36th (Pearl City, Palisades).

Say informed Democrats on Sunday that he would be calling for a leadership vote yesterday afternoon, the signal he had the votes to prevail. The vote to keep Say was unanimous among the 41 Democrats present.

In the Senate, Democrats were meeting privately late yesterday about who might replace Bunda, D-22nd (North Shore, Wahiawa), and take control of key committees such as the Ways and Means Committee, which oversees state spending. Senate leadership has been unsettled since a failed coup against Bunda at the end of the 2005 session.

The Senate's competing factions of Democrats have apparently agreed to replace Bunda but were still negotiating over which faction would control the presidency and key committees. Senate Majority Leader Colleen Hanabusa, D-21st (Nanakuli, Makaha), has been named most frequently as a possible new president, but she has fallen short of the votes in previous reorganization attempts.

House and Senate leadership decisions are important because leaders have the power to set the policy agenda at the Capitol and will help define the tone of the relationship between the Legislature and Lingle.

Reach Derrick DePledge at [ddepledge@honoluluadvertiser.com](mailto:ddepledge@honoluluadvertiser.com).



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# State House is in need of real reform

## Speaker of the House among those clinging to status quo

By SCOTT K. SAIKI and SYLVIA J. LUKE

One key indicator of how the Hawaii Legislature will conduct business is the way it selects its leaders and committee chairpersons. The Senate has gone in the right direction with its focus on openness, moving away from petty politics and the status quo. Unfortunately, the same cannot be said of the House of Representatives.

Key community leaders, such as U.S. Sen. Daniel Inouye, recognized that House Democrats are factionalized and attempted to fix it. The day after the general election, Democratic Party Chairman Mike McCartney convened a meeting with Reps. Calvin Say, Kirk Caldwell, Marcus Oshiro and ourselves. Sen. Inouye specifically requested that veteran Finance Committee Chairman Dwight Takamine attend.

At the meeting, Sen. Inouye expressed his hope that the factions would resolve their differences and work together for the good of the state. He then asked Rep. Takamine to serve as a mediator and to bring the sides together to work out a compromise.

Immediately after Sen. Inouye and McCartney left the meeting, Rep. Say told the group that he intended to serve as speaker for the next eight years and would do whatever it takes to retain that position. The following week, as he gathered votes, he did not respond to Rep. Takamine's requests to meet.

Rep. Say eventually garnered the 26 votes he needed to continue as speaker. While doing so, he and the House leadership went so far as to deny that Sen. Inouye had requested a compromise, and then ousted Rep. Takamine and other House members who had not supported them. In doing so, the House lost an opportunity to provide real leadership and to bring about change in the way the House conducts

However, moving forward, we must all recognize that we were elected to serve the general public, and that it is not too late to bring about real reform. By working with the Senate leadership, the House can implement a progressive agenda that will improve the Legislature and residents' quality of life. Here are a few things that we can do.

1. Increase ethical standards. The House needs to prevent self-dealing from occurring. Self-dealing results in bad legislation and policy decisions. We must set higher standards and learn to enforce them — even against our colleagues.

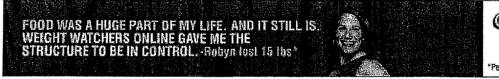
2. Approve immediate tax relief for working people. Programs such as the earned income tax credit (EITC) can provide more than \$20 million in annual tax relief for thousands of working families in Hawaii. The federal government and 20 other states have already adopted the EITC. Hawaii should provide this and other tax relief to our residents.

3. Pass an aggressive renewable energy agenda. In recent years, the House has watered down bold proposals to reduce our reliance on oil. We can no longer afford to do this. We must set a comprehensive plan to reduce our dependence on foreign oil and its impact on other facets of our economy. We cannot continue to prolong action if we are to become more self-sufficient.

This is just an example of what is possible. For six years, we served as part of Rep. Say's leadership team, but resigned in 2004 when we realized that Rep. Say was not willing to change.

It is time to put aside the old way of doing things. We believe that our generation and those that follow deserve a sharp and progressive Legislature that will work for the public interest. We hope the House is up to the task.

*Representatives Saiki (D-McCully, Moiliili) and Luke (D-Paoua, Nuuuua) previously served as majority leader and vice speaker, respectively, of the state House of Representatives.*



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Posted on: Tuesday, November 11, 2008

## Say retains state House speaker job

Advertiser Staff

State House Speaker Calvin Say, D-20th (St. Louis Heights, Palolo Valley, Wilhelmina Rise), locked down enough votes over the weekend to keep control of the House.



State House Speaker Calvin Say

Say and other Democrats are still discussing the leadership team and committee chairmanships, with an announcement expected later.

"We head into one of the most challenging legislative sessions that Hawaii has ever faced, and it's extremely important that we come together, with the Senate, to focus on our first priorities: a balanced state budget and Hawaii's economy," Say said in a statement. "I am grateful for the opportunity to lead the House for the next two years. As soon as organization is completed, we will start work immediately."

A group of dissidents, led by state Rep. Sylvia Luke, D-26th (Pacific Heights, Paoua, Punchbowl), has been trying to unseat Say since 2004, and the emergence of a middle group concerned about the bitterness between the factions gave dissidents hope this year.

Last week, dissidents described the leadership struggle in the 45-member Democratic caucus as a stalemate, but the speaker's allies were confident he would prevail.

Say, first elected to the House in 1976, has been speaker since 1998.

<http://the.honoluluadvertiser.com/article/2008/Nov/11/hawaii811110323.html>

2/21/2012

Exhibit 10

calabash

Exhibit 8

# The Freshman Rebel

**Q&A** The opening day of the state Legislature in January is a time when even bitter enemies pretend to like each other. So it was shocking when freshman Rep. Della Au Belatti and two fellow Democrats used the ceremonial occasion to blast longtime House Speaker Calvin Say, criticizing him as shortsighted and too concerned with power. We checked in with Belatti—a former teacher, lawyer and Campaign Spending commissioner—to see how she's fared in her first few months at the Capitol.

● **Why make such a bold move as a freshman legislator on your official first day?**  
Some of the headlines made it like we were trying to overthrow the speaker, and we weren't. We knew we didn't have the votes. I'm only here for two years, and I didn't want to start my political career with a vote that I couldn't agree with.

● **What concerns you about the leadership in the House?**  
I was very disappointed in the way leadership had organized. [Editor's note: In November, after Say had thwarted an earlier attempt by some dissident legislators to oust him, he replaced several key leaders in the House, including the chair of the powerful Finance Committee. Committee chairs determine which bills get heard.] There was no compromise. I hate to get into this—for outsiders, it's like, oh, they're just fighting for power, but I think it's more than that. If our organization is based on retribution, what does that say about the decisions we make on substantive issues? I'm concerned that the way decisions are made is not transparent or on the merit of an issue, that there is too much emphasis on protecting our offices.

● **Were there any repercussions to your opening-day statement?**  
Are all of our ideas being adopted? I'm not sure. Are some of them being quashed? The jury is still out, because the session isn't over. But I've had a lot of positive feedback from the outside, constituents who call and say, "Keep them on their toes," or, "Way to hold your ground."

● **You've also shown a rare willingness to work across the aisle.**  
There are differences between Democrats and Republicans, but where I see an opportunity to cross the lines, I'm not going to be afraid to do that. We need to index the elements of the tax code to inflation—every time I talk about it, people's eyes glaze over, but that's been a big push by the governor and introduced by Republican members. I think it's a great idea. It would eliminate the "shadow tax" that applies to everyone in the state. On the first day, I also said I think we should pass [a local] earned income tax credit, which was originally a Republican federal proposal. I know Republicans will want more aggressive income tax policies, but I hope to reach across the aisle to pass this targeted piece of tax relief.

—RONNA BOLANTE

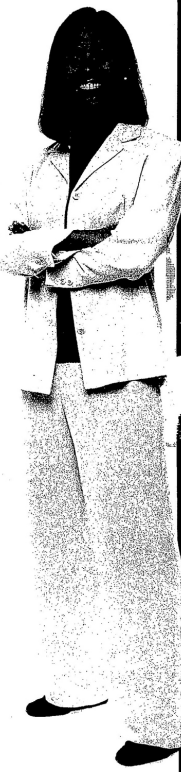


Exhibit 9

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Political group appears linked to House Speaker

http://lind.net/2010/10/21/political-group-appears-linked-to-house-s...

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My name wasn't pulled in the jury lottery GOP lifts another candidate photo without permission

Political group appears linked to House Speaker

October 21st, 2010 • 4 Comments • Campaigns, Politics

A reader inquired about Citizens for Responsive Government, a political committee that reportedly has been sending out campaign mailers in support of Democratic candidates in several districts.

A quick check at the Campaign Spending Commission web site quickly turned up the group's organization report. Officers listed are Calvin Azama, chairperson, and Brian Takeshita, treasurer.

Azama and Takeshita both work for House Speaker Calvin Say. Azama serves as chief of staff, while Takeshita is special assistant, according to Say's profile in a directory of legislative leaders published last year.

So it appears the group is sort of a leadership PAC supported by the House Speaker through his top staff, and is stepping up to add support for Democratic candidates in the general election.

As of September 18, the group reported raising \$88,247.99 during this election cycle, spending \$37,570.99, and ending up with \$169,185.96 in the bank.

It's last major fundraiser was in March 2009, when it took in \$69,250 in amounts of \$100 or more. The contributors list is heavy on lobbyists, lawyers, and PACs.

But Citizens for Responsive Government had not made any contributions directly to candidates or spent money on independent campaign activities in this election prior to the September primary, staying clear from primary fights.

The next campaign spending report isn't due until next Monday, October 25.

That's just a week before election day, and a week after early voting started. This means that many voters will not have an opportunity to be informed by the patterns of money flowing in the month since the primary before casting their vote.

If we are encouraging early voting, which seems to be the growing policy, then the legislature needs to adjust the administrative deadlines so that the voting public has access to the most current information before they actually cast their votes.

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charles // Oct 21, 2010 at 10:34 am

CRG is the House PAC and has been in existence for a number of years now. Its main activity is coordinating independent mailers into targeted House races for the general election.

2 of 6

Exhibit 11

2/22/2012 10:59 AM

Political group appears linked to House Speaker

http://lind.net/2010/10/21/political-group-appears-linked-to-house-s...

Since it is controlled by the House leadership, some members are critical of it because they believe the targeted races are tilted to those who support the current leadership.

I don't know if that's true or not but apparently that's one reason why many unions no longer contribute to it.

Reply

Gargoyle // Oct 21, 2010 at 11:01 am

CRG is a big part of how Say buys the allegiance of legislators. If you swear fealty to Say, he will spend in your district. If not, not.

Reply

jonthebru // Oct 21, 2010 at 12:26 pm

Calvin Say actually does that? Absolutely amazing. I thought he was about the people, not his circle of power. Sarcasm at work, watch where you step.

Reply

WD // Oct 21, 2010 at 4:36 pm

CRG has been around for years. It was set up by former Rep. Clarice Hashimoto and then it was run by Calvin Say's in-house attorney Ember Shim. The GOP had a similar PAC called GOP House PAC run by former Rep. Chris Halford but it was shut down. CRG was set up for one purpose, to help candidates that will support Calvin Say for Speaker of the House.

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3 of 6

2/22/2012 10:59 AM

Dissident group lining up to tackle House Speaker Say - Hawaii News - Honolulu Star-A... Page 1 of 2

Dissident group lining up to tackle House Speaker Say

POSTED: 01:30 a.m. HST, Nov 23, 2010

StarAdvertiser.com

By Richard Borreca

-- ADVERTISEMENT --

Football fans know that in order to appreciate the game, follow those fellows on the line, because everything starts with those behemoths.

Run or pass, it all evolves with the big guys doing the heavy pushing and shoving.

If your game is politics, you have to follow legislative organization to appreciate the work product from the House and Senate.

The pushing and shoving are more disguised, but the fight is just as real.

This year the state Senate, always a treacherous place with various factions appearing and then disappearing, settled down early with Maui Democrat Shan Tutsui as president.

Sen. Donna Mercado Kim was dropped as Ways and Means chairwoman, but reassumed her old job as Senate vice president, chairwoman of the Tourism Committee and tacked on the job she was already doing probing the state Transportation Department by making her head of a committee on investigations.

All this is important because committee chairpeople run the show; the bigger the committee, the bigger the show. Committee chairpeople are appointed, in part, by agreeing to support someone for Senate president or speaker of the House.

Over in the House nothing has gelled. Palolo Democrat Rep. Calvin Say is battling either one or two groups of Democrats who want to be included in House policy.

Say, one of the Legislature's old-timers, started in 1976. Since then he has gone from the obscurity of running the Committee on Culture and Arts to chairing the Finance Committee, and has been speaker since 1999.

Along the way he has made enemies by repeatedly trying to cut the budget by trimming state benefits to public workers and refusing to consider raising the general excise tax to balance the budget.

Say has also been a practical politician, forming a political action committee, Citizens for Responsive Government, which raised a total of \$262,000 during the last election cycle and doled out \$116,000 to Democratic candidates.

Say has been speaker so long that a growing group of dissidents has formed to demand that they have a larger share in running the House. But the Rebel Alliance has not come up with a specific reason for a change except that the current system doesn't include them.

http://www.staradvertiser.com/columnists/Exhibit 12 ssident\_group\_lining\_up\_to\_tackle... 2/28/2012

Dissident group lining up to tackle House Speaker Say - Hawaii News - Honolulu Star-A... Page 2 of 2

So far there are 19 votes for someone besides Say as speaker, while Say holds 24 votes. A speaker needs at least 26 votes to win.

Rep. Roy Takumi, another legislative veteran, is being boosted by some in the anti-Say block.

Interestingly Takumi is an employee of the Hawaii State AFL-CIO. Although the Hawaii Government Employees Association, the state's largest public worker union, isn't actively working to defeat Say, it might find an agreeable legislative climate with someone other than Say.

Just like in football, the winner may be the best blocker, not the best runner.

Richard Borreca writes on politics every Tuesday, Friday and Sunday. Reach him at rborreca@staradvertiser.com.

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Say is one vote shy of returning as House speaker

POSTED: 04:52 a.m. HST, Dec 03, 2010 LAST UPDATED: 12:06 p.m. HST, Dec 03, 2010

StarAdvertiser.com

By Mark Niesse

ADVERTISMENT

Hawaii Speaker of the House Calvin Say is one vote short of keeping his leadership post, while his opponents are pushing for a compromise candidate.

Say, a Democrat, gained the backing of freshman Rep. Linda Ichiyama, boosting his number of committed supporters to 25, spokeswoman Georgette Deemer said Thursday. He needs a majority of the House's 51 members to retain his leadership position.

The chamber's remaining 18 Democrats want new blood in charge of the House since Say has held power since 1999. Because of the House's overwhelming Democratic majority, its eight Republicans won't get a vote unless no consensus is reached by the Legislature convenes Jan. 19.

Say, D-St. Louis Heights-Wilhelmina Rise, and Ichiyama, D-Moanalua Valley-Salt Lake, declined to comment Thursday.

But Democrats who want Say gone said they're seeking a new leadership team that will be more inclusive.

"When somebody has been speaker for 12 years, the conversation gets tighter and tighter around the group that has become his confidants," said Rep. Denny Coffman, D-Keaouhou-Honokohau. "It naturally happens, and that's why it's time for a change."

Rep. Chris Lee, D-Lanikai-Waimanalo, said he wants a leader who can work with all the House's members while coordinating policy between the Democrat-run Senate and Democratic Gov.-elect Neil Abercrombie. Democrats control all but one seat in the 25-member Senate.

"We'd like to see a leader who can cross that divide," Lee said. "We want a better process that allows an agenda to be set, goals to be met and legislation passed that benefits everyone in the state of Hawaii."

Representatives vying for Say's position include Rep. Roy Takumi, D-Pearl City-Pacific Palisades, and Rep. Sylvia Luke, D-Pacific Heights-Punchbowl. Neither returned phone calls seeking comment Thursday.

But Say contends he has been inclusive by putting his in-party opponents in positions of power, Deemer said.

Takumi heads the Education Committee, Coffman is the vice chair of the Energy and Environmental Protection Committee, and three other so-called "dissident" representatives hold committee chairmanships.

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Say's opponents include labor union-backed representatives who blame him for last session's hearings on reductions in public employee benefits while refusing to consider raising general excise taxes to help balance the state's budget.

"I'm hoping the speaker can at least come to some kind of compromise. Gosh, every one of us should be involved in some capacity," said freshman Rep. Dee Morikawa, D-Niihau-Poipu-Kokee. "I'm just one for change. I'm for everyone being involved in whatever field they're good at."

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House dissidents challenge speaker

POSTED: 01:30 a.m. HST, Dec 09, 2010

StarAdvertiser.com

A letter written on behalf of 18 legislators implies a change in leadership is needed

By Derrick DePledge

ADVERTISMENT

With state House Speaker Calvin Say still one vote short of retaining power, dissidents are asking that he work with them to find a leadership compromise that will unify the House.



Calvin Say: The speaker says he is confident despite losing a vote after of keeping his position as speaker

Say, a Palolo Democrat who has led the House since 1999, is the longest-serving speaker since statehood. He has asked the public to have patience while majority Democrats work out their internal differences. Until the leadership struggle is settled, the roster of influential committee chairmanships is unknown, so citizens and interest groups do not know exactly who to approach about potential legislation for the new session that begins in January.

"I remain confident," Say said yesterday. He has 25 votes to remain as speaker, one short of a majority in the 51-member House. He already has a majority among the 43 Democrats.

In a letter Monday, written on behalf of 18 Democratic lawmakers, the dissidents thank Say for his 34 years of service in the House and his reign as speaker. But they claim Hawaii has entered a new era and contend that the House must be open to change.

The letter does not specifically ask Say to step aside, but the implication is that a compromise speaker is necessary.

State Rep. Sylvia Luke (D, Pacific Heights-Punchbowl-Paoua), has 15 votes as speaker. Two lawmakers have told Say that they back state Rep. Roy Takumi (D, Pearl City-Momilani-Palisades) as a compromise.

Until the letter, the dissidents had not publicly articulated why they are demanding a change in leadership. Many of the lawmakers have been involved in previous attempts to oust Say over the past several years.

"Recently in the House, there has been little collective discussion or planning to address our most pressing issues, not even a package of priority bills from our Democratic caucus," the dissidents wrote. "Improving public schools, reforming government, protecting our environment and safeguarding civil rights are important to Hawaii's future, yet many of these initiatives have been stalled or derailed."



Scott Saiki: The House has not had a vote after of keeping his position as speaker

"Too often votes are traded for pet projects and positions without regard to a larger policy agenda. We believe that the challenges facing Hawaii are too great to continue this practice. Leadership must focus on resolving the larger challenges, and not just the narrow issues that benefit only a few."

State Rep. Scott Saiki (D, Moliinai-McCully-Kaimuki), one of the dissidents, said the lawmakers wanted to publicly show they support a change. "The other side has attempted to apply a lot of pressure on our group members, but it hasn't worked," he said.

"So we just wanted to make it crystal clear that we remain united."

One dissident, however, did refer to Say's side last week. The public release of the letter with all of the dissidents' names is not a message to Say, but an attempt to hold the group together.

The state Senate reorganized shortly after the November elections with Shan Tsutsui of Maui as the new Senate president. House lawmakers have been plotting and negotiating privately for the past several weeks. The dissidents have described the situation as an impasse, but Say does not appear rattled or to be in any particular rush.

Say's staff has prepared a chart showing that several dissidents have been given leadership opportunities over the past several years under the speaker -- Luke was vice speaker and chairwoman of the House Judiciary Committee, Saiki was majority leader, and Takumi has been chairman of the House Education Committee.

Say has suggested privately that the dissidents want power, not power-sharing. But the dissidents counter that Say has rewarded lawmakers who are loyal to him with committee chairmanships they do not merit based on effectiveness or subject-matter expertise.

The leadership struggle has yet to cause anything other than inconvenience and uncertainty. Seven House freshmen who have been waiting for the stalemate to end so they can get suitable office space are being assigned temporary offices today.

Veteran observers remember at least one year when a House leadership fight extended past opening day of the session. In 1971, state Rep. Hiroshi Kato's challenge to Speaker Tadao Beppu dragged on for several days during the session before Beppu prevailed.

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Teams
January 3rd, 2011
By depledge
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While the state House leadership struggle remains a stalemate, the two sides have been negotiating.

Speaker Calvin Say's group of 25 has been represented by Say, state Rep. Marcus Oshiro (D-Waihala), and state Rep. Isaac Choy (D-Maono), sources say.

The dissident faction of 17 has been represented by state Rep. Scott Nishimoto (D-Kaimuki, Kapehu, Diamond Head), state Rep. Mark Nakabana (D-Kalihi, Hahaione, N. Hilo), and state Rep. Jessica Wootley (D-Lale, Hauula, Puuhou).

The dissidents have suggested state Rep. Roy Takumi (D-Pearl City, Momilani, Palisades), as a compromise speaker, which the Say group has rejected.

One dissident, meanwhile, has received a note from the Say group discussing committee chairmanships and leadership posts to end the stalemate.

If the leadership struggle does not end by opening day on Jan. 19, House Republicans, with their eight votes, may have a card to play.

The last time a leadership fight extended past opening day — in 1971 — it was the Republicans who broke the deadlock. State House Minority Leader Gene Ward (R-Kalama Valley, Queen's Gate, Hawaii Kai), said the GOP caucus would likely stick together if called upon to cast a leadership vote.

Ward said Say helped hold the line against a general excise tax increase favored by public-sector labor unions and is sympathetic to small-business concerns. He believes it is inevitable that Say will prevail over the dissidents.

"Speaker is wise. He is smart. He is wily," Ward said.
Posted in In Politics | 10 Comments
10 Responses to "Teams"

- 1. Karl Barth:
January 2nd, 2011 at 6:55 pm
Glad to see the adults in the State Senate are moving forward with the work of the people while the kids in the House continue to make Big Body moves—while there are some "joint" budget meetings between WAM and last session's FIR chairs, only WAM can really start working on the State financial plan. Why not reverse the order of considering the budget bill this session (with the hope that the House gets its act together at some point) and let David get a crack at the budget numbers crunching first? But that assumes the Abercrombie-Schuch administration gets it's Gov Mag on "reauthorized" changes to the legislature in a timely manner. Otherwise, may be the entire session should be delayed.
2. ohiaforest3400:
January 2nd, 2011 at 8:31 pm
No can delay, the State Constitution says session starts the "third Wednesday in January" come hell or high water. Without leadership, cannot even agree with Senate on a calendar that might include plenty recess days to figure it out once session starts. As the First District Rep, Mark Nakabana will be the Presiding Officer until...
3. charles:
January 2nd, 2011 at 10:50 pm
While the constitution says the session must start on the third Wednesday in January, it is silent on when it must end. So a 60 day session could go on for ten months, if necessary. So there can be no delay in the beginning of session but then rules prevail and session can end at anytime.
Let's hope cooler heads prevail.
4. Voice Ofreason:
January 4th, 2011 at 10:54 am
Let's do a little math. Speaker Say has 25 votes. The dissidents had 18 votes but lost one when the Governor appointed Rep. Shimaburo to the Senate. That leaves them with 17 votes.
The Republicans have 8 votes. If they vote as a block with the dissidents, they would have 25 votes, or an equal number as Speaker Say.
So how will the tie be broken?

http://blogs.starbulletin.com/inpolitics/team: Exhibit 15 2/28/2012

Whoever the Governor appoints to Rep. Shimabukuro's seat could conceivably have a lot to say in the organization if (and that is a big if) all of the dissidents and Republicans hold together. But say they do, then wouldn't you like to know how the replacement is chosen?

Well, by law, once Shimabukuro resigns from the House, the Democratic Party has 30 days to submit a list of at least 3 party members residing in the district to the Governor. Once received, the Governor would then have 30 days to pick someone from that list.

The Party went through great effort giving the appearance of establishing an "open" process of requiring community meetings at the precinct level and then at the district level to come up with a list of at least three names for the Party's Executive Committee to approve before transmitting to the Governor. Yet, most insiders know that this is a sham since the Executive Committee is dominated by urban Democrats, most of whom have aligned themselves with the House dissidents.

By law, the Governor must use that list and cannot name an appointee. So if the Party wanted to totally tie the Governor's hands, they could submit a list comprised of only supporters of the dissidents... But that is only if the Party is afraid that the Governor might want to choose someone who would support Speaker Say.

So who would the Governor like to have as Speaker? Some on this blog suggest that he would support Speaker Say citing their amicable relationship in the past. Others contend that with so much change within the Administration and the Senate, Speaker Say would serve as a stabilizing force, especially when it comes to handling the budget.

But there is someone on the fifth floor, the Lieutenant Governor, who has long been a supporter of the dissidents and would like nothing better to see Say banished into Siberia. That would allow his cronies (i.e., Sakik, Luke, Nishimoto, etc) to reap the rewards of power that they have waited so long to gain.

Doesn't this sound like a really bad episode of "Dallas"?

Perhaps the leadership fight in the House is just a prelude to a much bigger battle in four years — when Brian Schatz decides to run for Governor.

FEAR DARTH SCHATZ

5. Karl Barth: January 4th, 2011 at 12:34 pm

VORI So who are the Jedi (the dissidents who briefly held power) by toppling Joe Sasaki with the help of Calvin Say? Is K. Mark Takai the future Emperor, and who is Darth Vader really? And what Star Wars episode are we in — "Revenge of the Sith" or "Return of the Jedi"? Regardless, I know several folks to nominate as Jar Jar Binks.

6. ohaforest3400: January 4th, 2011 at 1:27 pm

Voice, dude, you're scaring me!!! It's too early in the year for Halloween!!!

7. Michael: January 4th, 2011 at 4:48 pm

There is no "I" in team.

8. DD: January 4th, 2011 at 6:01 pm

We are just a few weeks away from the start of the 2011 Legislative Session, and it looks like the 17 who want change in the House aren't going to be bought off to go over to Rep. Say's side. So now it looks like there are two options:

So if Rep. Say wants to keep his power he can trade something to the Republicans to secure their vote on Opening Day, or negotiate a compromise with the other 17 Democrats.

No matter what happens, surely Rep. Say will take care of his core folks, Jerry Chang, Bob Herkes, Ken Ito. But if he has to negotiate a compromise to retain his power, then my question is what happens to everyone else on his side that he made promises to when they find out he had to negotiate their positions away?

Does that mean a third group will form again when they all bolt?

9. Formerly Undecided: January 4th, 2011 at 11:32 pm

The more homophobic Republicans would never go for it but it seems to me that the only real leader in the House is Blake Oshiro. His election would send a signal to the International Gay community that Hawaii may not be so bad after all and they might start coming back to the islands again (with their large discretionary incomes).

10. Koles: January 7th, 2011 at 4:30 am

I just saw the comment by "Voice of Reason" and need to say it is helpful if one's "reason" is supported by actual facts. This paragraph is patent nonsense:

"The Party went through great effort giving the appearance of establishing an "open" process of requiring community meetings at the precinct level and then at the district level to come up with a list of at least three names for the Party's Executive Committee to approve before transmitting to the Governor. Yet, most insiders know that this is a sham since the Executive Committee is dominated by urban Democrats, most of whom have aligned themselves with the House dissidents."

The Rules of the Democratic Party give the power to come up with three nominees to the grassroots officers of the district affected by the vacancy. Contrary to VORI's misinformation, the list is not sent to "The Party's Executive Committee" for approval. The Executive Committee has no say in the names submitted to the Governor. Once the names are sent to the party chair, they are checked to against the membership rosters to ensure they have been members for 6 months at the time of the vacancy.

http://blogs.starbulletin.com/inpolitics/teams/

2/28/2012

So your conspiracy theory about "urban Democrats" dominating the process in favor of the dissidents is pure, uniformed claptrap. Other than that you remain, of course, the Voice of Reason.

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2/28/2012

House Republicans will help Say retain leadership post
POSTED: 03:03 p.m. HST, Jan 07, 2011 LAST UPDATED: 04:00 p.m. HST, Jan 07, 2011

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By Derrick DePledge

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State House Republicans said today that they will back House Speaker Calvin Say, potentially ending a leadership stalemate that has split majority Democrats.

Say, (D-St. Louis Heights, Palolo Valley, Wilhelmina Rise), has been one vote short of keeping control of the 51-member House in a leadership struggle that has lasted since the November elections. Say has 25 votes, while a dissident faction that prefers state Rep. Roy Takumi, (D-Pearl City, Momiiani, Pacific Palisades), has 17 votes.

Say said he was "honored" and "grateful" for the GOP support for his leadership. He said he will meet privately today with his loyalists to discuss options, including whether to continue negotiating with the dissidents.

"I'm very honored that the minority caucus has thrown their full support behind me," Say said. "And I'm very grateful that they have considered me to be retained as the speaker."

State House Minority Leader Gene Ward, (R-Kalama Valley, Queen's Gate, Hawaii Kai), said the eight House Republicans have committed to Say. Ward said Republicans did not receive any committee chairmanships or leadership posts in exchange for their votes.

Ward said Republicans wanted to end the deadlock so the House could prepare for the new session that starts on Jan. 19.

"The public is fed up," he said. "The public is saying, 'Why are you doing this? Let's get on with it.' They want to see some results. They want to know what's going to happen."

State Rep. Cynthia Thielen, (R-Kailua, Kaneohe Bay), said it was difficult to prepare when the leadership posts and committee chairmanships are unknown.

"It was time to say 'enough.' Let's get it moving," she said.

Say's group has offered dissidents four committee chairmanships and two leadership posts in an effort to break the stalemate. Dissidents, sources say, were preparing to counter with a chairmanship lineup that more closely reflects the numerical split between the two camps.

While the negotiations are ongoing, some dissidents indicated that they are prepared to take the challenge to opening day. A protracted leadership fight among majority Democrats during session could be a potential political embarrassment for the party and an obstacle to the legislative process.

Say has served as House speaker for 11 years and is the longest-serving speaker since statehood. Dissidents have said that they want more collective discussion and planning on public-policy issues and a leadership and committee lineup that better represents the strengths of the caucus.

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If Say relies on Republicans to keep control of the chamber, he would be under even less obligation to assign dissidents leadership or committee posts.

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2/28/2012

Friday, January 07, 2011

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The Hawaii Independent: House Republicans back Say as Speaker, focus on not raising G... Page 2 of 10

### Stalemate Broken: House Republican Caucus backs Calvin Say for Speaker

By Andrew Walden @ 9:10 PM :: 848 Views :: Hawaii State News, Hawaii State Politics

by Andrew Walden

Rep Gene Ward (R-Hawaii Kai) announced this afternoon that the eight members of the House Republican caucus will vote as a bloc to reelect Calvin Say (D-Palolo Valley) House Speaker.

Ward told KITV news: "The eight of us have heard directly from our constituents, from Oahu to Maui, about the importance of not raising the general excise tax (GET), providing favorable pro-small business initiatives that will create jobs and ensuring improvements are made to state infrastructures."

Say told the Star-Advertiser: "I'm very honored that the minority caucus has thrown their full support behind me. And I'm very grateful that they have considered me to be retained as the speaker."

Ward said the Republicans did not receive any committee chairmanships or other leadership assignments in exchange for their votes.

Within the House Democratic caucus, Say was one vote short of the 26 needed for reelection, according to numerous reports.

Backing Rep Sylvia Luke against Say are 17 Democrats more beholden to HGEA, UPW and other government employee unions which have been pushing for an across-the-board increase in the General Excise Tax. Attempting to win their support, Say had offered the dissidents four committee chairmanships. Now with the Republican commitment, Say will no longer be required to offer the dissidents anything in negotiations scheduled for 6PM tonight.

Republican legislative minorities in the mid 1980s also joined with Democrat factions to form a bi-partisan majority. Such coalitions have allowed Republicans to advance legislative proposals which would otherwise likely be killed by a partisan Democratic majority. In General Elections, Republican legislative candidates supporting such coalitions were sometimes backed by Democrats aiming to eliminate their factional opponents.

Say's refusal to consider a GE Tax increase during the 2010 Legislative session was a major factor in a decision by the HGEA not to endorse Say for reelection. Nonetheless Say handily defeated his opponent, Dwight D. Synan who received backing from gay-atheist activists upset that Say had not done enough for HB444 civil unions.

In place of the across the board GE Tax hike, which Say describes as "regressive", during the last legislative session Say proposed abolition of numerous tax exemptions. He also allowed several legalized gambling bills to advance.

Similar proposals are already being mooted for the 2011 Legislative session.

---30---

KITV: GOP Backs Calvin Say For House Speaker

SA: House Republicans will help Say retain leadership post

Exhibit 17

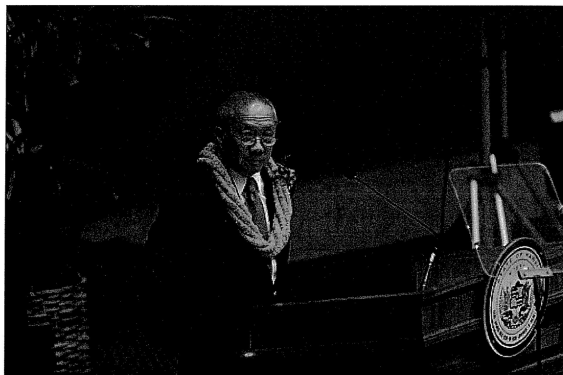
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The Hawaii Independent: House Republicans back Say as Speaker, focus on not raising G... Page 1 of 10

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THE HAWAII INDEPENDENT (U) MENU SEARCH

### House Republicans back Say as Speaker, focus on not raising GET



Unseating Speaker Calvin Say, above, has been the focus of a years-long struggle for dissident House Democrats.

Courtesy Photo  
(/coop/member/99)



Jan 07, 2011 - 05:21 PM

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2/28/2012

HONOLULU—On Friday, State House Republicans announced that they will be voting to keep Democrat Calvin Say as Speaker of the House. The announcement puts an apparent end to the Kaimuki representative's fight against a group of 18 Democratic dissidents who had rallied behind Rep. Roy Takumi for House leadership.

The State House Minority Leader, Rep. Gene Ward, said in a statement that Say's return as Speaker "was the best choice to ensure the State's long-term fiscal condition improves."

"We need leadership in place so we can get on with the business of the people of Hawaii," said Republican Rep. Aaron Ling Johanson.

With the backing of the eight House Republican Caucus members, Republicans expect Say to keep spending down and to organize the House expeditiously.

In October, Say told *The Hawaii Independent*: "I do not support a General Excise Tax (GET) increase. I feel that such an action would jeopardize the economic recovery, raise the cost of living for residents, and exacerbate the regressive effect of the GET. If additional revenues must be raised, my first preference would be to limit or eliminate tax breaks for special interests."

Say's commitment to not raising the GET was a deciding factor for House Republicans.

"The eight of us [House Republicans] have heard directly from our constituents from Oahu to Maui about the importance of not raising the GET, providing favorable pro-small business initiatives that will create jobs, and ensuring improvements are made to State infrastructures," Ward said. "With Say returning for his seventh term as Speaker, we feel confident these issues will be a top priority this session."

Say has served as Speaker for the last 12 years.

### "The Republican caucus is focused on strengthening and diversifying our local economy."

"The Republican caucus is focused on strengthening and diversifying our local economy," Ward added. "Therefore, we are very concerned that the administration and the legislative finance committees maintain fiscal discipline to ensure our residents are not negatively impacted."

The addition of the eight Republican votes ends a months-long stalemate that saw 25 House Democrats backing Say, including last month's late commitment by freshman Rep. Linda Ichiyama, against the 18 dissidents. A nominee needs 26 votes to be seated as Speaker.

The group of Democratic dissidents included Rep. Della Au Belatti, Rep. Tom Brower, Rep. Mele Carroll, Rep. Denny Coffman, Rep. Cindy Evans, Rep. Faye Hanohano, Rep. Gilbert Keith-Agaran, Rep. Chris Lee, Rep. Sylvia Luke, Rep. Dee Morikawa, Rep. Hermina Morita, Rep. Mark Nakashima, Rep. Scott Nishimoto, Rep. Scott Saiki, Rep. Maile Shimabukuro, Rep. K. Mark Takai, Rep. Roy Takumi, and Rep. Jessica Woolley.

Last month, the Democrats backing Takumi for Speaker sent a letter to Say that stated: "Too often votes are traded for pet projects and positions without regard to a larger policy agenda. We believe that the challenges facing Hawaii are too great to continue this practice. Leadership must focus on resolving the larger challenges, and not just narrow issues that benefit only a few."

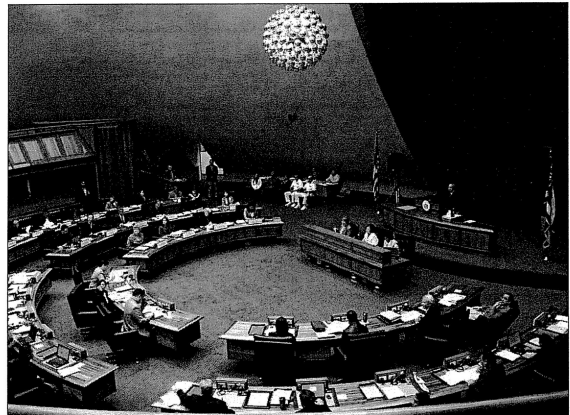
When the 2011 Legislative Session convenes on January 19, committee chair assignments will paint a picture as to how dissident Democrats are punished and how the Republican Caucus might be rewarded.

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Correction: the Legislature convenes on January 19, not on the 20th as previously written.

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2/28/2012

**House Republicans to support Say as speaker**

POSTED: 01:30 a.m. HST, Jan 08, 2011

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The Democrat says he is grateful but will keep negotiating with dissidents in his party

By Derrick DePledge

-- ADVERTISEMENT --

State House Republicans agreed yesterday to back House Speaker Calvin Say, a commitment that could break a leadership stalemate that has divided majority Democrats.

Say, the longest-serving speaker since statehood, has been one vote short of keeping control of the 51-member House in a leadership struggle that has played out since the November elections. Say has 25 votes among Democrats, while a dissident faction that prefers state Rep. Roy Takumi (D, Pearl City-Momilani-Pacific Palisades) has 17 votes.

There are eight Republicans and one vacant House seat, to be filled by a Democrat.



**Calvin Say**  
A deal with Republicans could let him retain control of the House, but the longest-serving speaker since statehood says he still keeps negotiating with dissident Democrats to resolve the leadership struggle.

Say (D, St. Louis Heights-Palolo Valley-Wilhelmina Rise) said he was "honored" and "grateful" for the Republican endorsement. But after nearly two hours of private discussion with his loyalists yesterday evening, the speaker said his group will continue to negotiate with the dissidents to try to resolve the dispute among Democrats.

"We should work with the Democratic caucus first before we ever venture into the Republican side," he said.

The speaker set a tentative deadline for negotiations to end on Wednesday. He said if the dissidents choose to take their challenge to the opening day of the session on Jan. 19, he believes he now has the votes to prevail.

Dissidents predict that some Democrats will defect from the speaker if it becomes apparent that he is unable to retain control without Republicans. Dissidents also warn that if Republicans do help keep Say in power, they will have leverage over legislation.

"It will be difficult to govern with a bipartisan organization," said state Rep. Scott Saiki (D, Moiliili-McCully-Kaimuki), one of the dissidents.

State House Minority Leader Gene Ward (R, Kalama Valley-Hawaii Kai), said the eight House Republicans did not receive any committee chairmanships or leadership posts in exchange for their support.

Ward said Say, like Republicans, has opposed an increase in the general excise tax and has shown concern for the struggles of small businesses. "The public is fed up," Ward said of the leadership fight.

**Exhibit 19**

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State Rep. Cynthia Thielen (R, Kailua-Kaneohe Bay) said it is difficult to prepare for session when leadership posts, committee chairmanships and committee assignments are unknown. "It was time to say 'enough.' Let's get it moving," she said.

Say's group has offered dissidents four committee chairmanships and two leadership posts to end the stalemate. Dissidents, sources say, are preparing to counter with a request for more committee chairmanships.

Dissidents have said they want more collective discussion and planning on public-policy issues and a leadership and committee lineup that better represents the strengths of the caucus. One Democratic House seat is vacant and will likely not be filled by the party and Gov. Neil Abercrombie in time to influence the leadership vote.

If Say — who has been speaker since 1999 — relies on Republicans to keep control of the chamber, he would be under less obligation to assign dissidents plum committee or leadership posts.

A leadership challenge that extends to opening day or beyond — or is broken by the GOP — could be a potential political embarrassment for the party. Democrats hold overwhelming majorities in the House and state Senate and again control Washington Place with Abercrombie.

Abercrombie, who as a state senator was among the Democrats who formed a coalition with Republicans to organize the Senate in 1981, chuckled when told of the GOP's commitment to Say.

"Oh, wonder of wonders," the governor said. "I'm not going to get involved in internal politics there (in the House).

"But with any kind of a coalition attempt, it depends on what's expected as the result of that. So you have to get the agreement of both parties. And that's where the difficulty always comes in."

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**House power-sharing talks are at an impasse**

POSTED: 01:30 a.m. HST, Jan 11, 2011

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By Derrick DePledge

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State House Speaker Calvin Say and a dissident faction challenging his leadership traded proposals over the weekend but have yet to reach a power-sharing agreement to organize the House.

Say's group has offered the dissidents five committee chairmanships — up from four last week — and two leadership posts. Say said the dissidents have suggested that he remain speaker but that the two camps of Democrats divide the committee chairmanships.

Say (D, St. Louis Heights-Palolo Valley-Wilhelmina Rise) described his offer of five committee chairmanships as "very generous."

The speaker said he is willing to continue negotiations among majority Democrats even though he has a commitment from House Republicans to give him the votes he needs to remain in control. The speaker said he is prepared to organize with Republicans if necessary.

"I want to do the people's work as I move forward," he said.

House Minority Leader Gene Ward (R, Kalama Valley-Queen's Gate-Hawaii Kai) said Say should end the stalemate now.

"With our eight Republican votes, Rep. Calvin Say has seven more votes than necessary to keep the Legislature from slowly shutting down, which it has been for the past 10 weeks of gridlock," Ward said in a statement.

Rep. Chris Lee (D, Lanikai-Waimanalo), one of the dissidents, disputed Ward's description of a shutdown. He said lawmakers have been holding informational briefings on the budget as they always do before session.

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**Exhibit 20**

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**Speaker Say, take GOP's offer**

POSTED: 01:30 a.m. HST, Jan 12, 2011

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This isn't the first time setting up a leadership team in the state House of Representatives has become a tug-of-war. Some measure of political pushing and pulling comes with the territory, of course, but after weeks and weeks of this, public patience is wearing thin.

The Legislature is now only days away from convening, and the questions of who will be speaker of the House and who will lead the chamber's key committees, are still unanswered. Some preparation work can be done independently of leadership wrangling, but perpetuating this unsettled state for much longer surely will handicap lawmakers who, after all, are facing a challenging public-policy landscape.

They will have to navigate the many decisions that will be necessary to close a nearly \$800 million budgetary gap for the two years following the session. They have to decide how the next Board of Education will be appointed. There are languishing issues such as the civil unions debate that they should confront.

It's hard to get ready for all this when, as Republican state Rep. Gene Ward points out, some freshman legislators don't even have permanent offices yet.

Ward -- who represents the 17th District, encompassing Kalama Valley, Queen's Gate and Hawaii Kai -- is the House minority leader. On Friday he presented a GOP proposal to back state Rep. Calvin Say's bid to continue as speaker, a seat Say has occupied for 11 years.

Say reportedly has 25 votes from the Democratic caucus, only one vote shy of the majority. That's a sizable lead over his nearest rival, state Rep. Roy Takumi, but the dissident group that wants a changing of the guard has held together for weeks.

Negotiations are continuing to forge a Democrats-only majority group of backers, but the advantages of doing so are becoming less and less clear. Rather than prolonging these talks, however, Say would serve the broader community best by relying on the Republican House caucus for the support he needs.

In other words: Enough with the power struggle, already.

The state Capitol has never been a bastion of bipartisanship and could benefit from a scheme that gives the GOP more influence -- bringing more Republican bills up for a hearing as a matter of course, for instance.

That said, Ward insisted that the decision was made simply to get on with the workload ahead, adding that he hasn't exacted any promises from Say in exchange for Republican support.

**Exhibit 21**

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Lawmakers, like the Abercrombie administration, are a long way from assembling a plan for resolving the state's revenue shortfall. But Say's record as a fiscal moderate with a distaste for general excise tax increases strongly indicates that the GOP caucus would align better with him, Ward said.

And, he added, the chance to have at least some role to play is welcome.

"We've become relevant, reinserting rational thinking into the leadership process," he said.

That could be at least a small breakthrough in what has been virtually a one-party political structure. But even if a more collaborative era is not at hand, the GOP is offering a chance to get on with the people's work, and the calendar on the wall suggests that it's time to seize it.

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Senate President Shan Tsutsumi and Senate Minority Leader Sam Slom will make opening speeches in the Senate, followed by entertainment by the Kamehameha Schools Children's Chorus, Society of Seven and Willie K. In the House, where leadership remains unsettled, Rep. Mark Nakashima will preside.

The Moanalua High School string ensemble and artist-in-residence Sean Naauao will perform.

Many lawmakers will hold receptions in their offices.

"It's not any embarrassment to the party or anyone out there, because at the end of the day, we're just here to do the people's work," Say said of the protracted negotiations.

Say said he does not believe dissidents have the leverage to force a new speaker -- what he called "ABC, Anybody but Calvin" -- so the end result is likely a negotiated division of committee chairmanships and leadership posts or his acceptance of the GOP commitment. "At some point in time, may it be Wednesday or Thursday or Friday, a vote has to occur, to get the people's work done," he said.

Luke said the dissidents' goal is shared responsibility. "We continue to work towards bringing people together, bringing the sides together, so that we can all be productive."

U.S. Sen. Daniel Inouye, D-Hawaii, and other leading Democrats have urged House Democrats not to organize with Republicans and instead negotiate a reasonable compromise. The senator, after meeting privately with both camps on Friday, said it would be embarrassing for the stalemate to extend to opening day. He also said it would be "disgraceful" to rely on Republicans.

But majority Democrats have taken advantage of GOP votes in the past. In 1971, House Speaker Tadao Beppu accepted Republican help to end a leadership struggle that extended two weeks -- 10 legislative days -- into the session. In 1981, Gov. Neil Abercrombie and Democratic Party of Hawaii Chairman Dante Carpenter were among a group of Democrats who formed a coalition with Republicans to organize the state Senate.

Say said last night that if no deal is reached by this morning, his preference is to open the session with the traditional speeches and music and put off a leadership discussion until this afternoon. Under that scenario, House Majority Leader Blake Oshiro (D, Aiea-Halawa Valley-Aiea Heights) would likely give opening remarks instead of Say. House Minority Leader Gene Ward (R, Kalamua Valley-Queen's Gate-Hawaii Kai) is scheduled to speak for Republicans.

By tradition Rep. Mark Nakashima (D, Kohala-Hamakua-N. Hilo), who represents House District 1, functions as the presiding officer until a speaker is chosen by resolution.

Nakashima, one of the dissidents, said it would likely be "chaos" if individual lawmakers attempt to force a floor vote on a resolution this morning. More likely, Nakashima and others said, lawmakers will wait until the afternoon or later. Some lawmakers are sensitive about exposing family, guests and VIPs gathered for the traditional celebration to a floor fight over leadership.

http://www.staradvertiser.com/news/20110119\_Leadership\_void\_persists.html?id=114193... 2/28/2012

Leadership void persists

POSTED: 01:30 a.m. HST, Jan 19, 2011

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The state House might open with its key positions unfilled

By Derrick DePledge



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State House Democrats, unable to agree on leadership, were on the brink last night of allowing internal differences to affect opening day of the state Legislature.

State House Speaker Calvin Say (D, St. Louis Heights-Palolo Valley-Wilhelmina Rise) has been negotiating privately over the past several days with Rep. Sylvia Luke (D, Pacific Heights-Pauoa-Punchbowl) to end a leadership stalemate that has gone on since the November elections.

Say and Luke have exchanged potential committee lineups to share power but had not reached agreement as of late last night. If the impasse continues this morning, the House would gavel in a new 60-day session without a leadership slate for what is believed to be the first time since 1971.

House leadership posts, committee chairmanships and committee assignments remain unsettled.

Say, who has led the chamber since 1999 and is the longest-serving speaker since statehood, still has the option of accepting an offer by House Republicans to give him the votes he needs to stay in power. But Say has chosen to continue talks with the dissidents challenging him to try to settle the leadership fight among Democrats.

THE 26TH LEGISLATURE

State House and Senate leaders will open a 60-day session at 10 a.m. today at the state Capitol.

Exhibit 22

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Democrats control 43 of the 51 House seats and 24 of 25 state Senate seats, the most lopsided advantage in the nation. Some Democrats believe it would be a black eye for the party if House Democrats have to organize with Republicans. A Say alliance with the GOP -- even if it is only for leadership votes -- could also give dissidents ammunition to use in future challenges.

Say has 25 votes to remain as speaker, one vote short of a majority. The dissidents have 17 votes. One House seat is vacant.

Separate from the leadership talks, four dissidents suggested a rule change yesterday that would limit a speaker, other leaders and committee chairmen to serve six years in those posts. The dissidents believe a time limit would help ensure routine succession and promote fresh ideas.

Ward has been urging Say for more than a week to accept the Republican votes and to organize the House. "Let's get on with the business of doing the business of the people who sent us here," he said.

House Republicans released their legislative package yesterday, which includes a constitutional amendment requiring two-thirds' votes in the House and Senate for any tax increase, college tuition incentives for high-school students who finish early and enroll in the University of Hawaii system, and public hearings whenever the state salary commission recommends pay raises for lawmakers.

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House Vice Speaker Manahan announces bid for City Council

StarAdvertiser.com

By Star-Advertiser staff

State House Vice Speaker Joey Manahan said today that he will run for Honolulu City Council.

"I am committed to the race," he said after an evening fundraiser at a Chinatown restaurant. Manahan will run in Council District 7, which covers Kalihi, Salt Lake, Pearl Harbor and Foster Village. Councilman Romy Cachola is prevented by term limits from seeking another term.

Manahan (D, Kalihi-Kapalama) was first elected to the House in 2006. He became vice speaker last year.

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New York school head named headmaster of Iolani
Firefighters union endorses Caldwell for mayor
Gay Mamma's homecoming kiss in Hawaii shared on Facebook
Bird flu, pig flu, now bat flu? Human risk unclear
Death of girl after school fight ruled a homicide
Mother seeks zip line reform after son's death
22 cruise ship passengers robbed in Mexico

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Donors to Citizens for Responsive Government, according to the most recent contributions report, include major organizations having business with the state, like Outrigger Enterprises and United Health Group.

Contributors during the first half of 2011 include Alexander and Baldwin, First Hawaiian Bank, Hawaiian Electric Industries, Maui Land & Pineapple Co., Hawaiian Telcom, HMSA, Young Brothers and Hawaiian Airlines — the biggest players in Hawaii business.

Several unions also gave, including United Public Workers and the United Brothers of Carpenters.

Gambling lobbyist John Radcliffe gave \$1,000. Former Honolulu Mayor Kirk Caldwell and businessman Mitch D'Olier gave \$250.

Calvin Azama — the PAC's chair and treasurer — gave \$1,000.

Changing Candidates

Citizens for Responsive Government was formed in 2008 and first gave money to candidates that fall.

They included five representatives who would later oppose Say's leadership: Cindy Evans, Tom Brower, Jessica Wooley, Faye Hanohano and Chris Lee.

The amounts were between \$500 and \$2,000 and totaled \$12,500.

Lee also got money in 2009. So did a couple of other dissidents.

But those contributions were for surveys, polls and voter lists valued at just \$10.

After that, as opposition to Say began to solidify, there was not a dime more for the dissidents.

By contrast, the contributors to the PAC have been consistent — big business, labor unions and political players.

DISCUSSION: "Woi, bodda you?"

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Discussion

Exhibit 23

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html

2/27/2012

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2/21/2012

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The Speaker's PAC

By Chad Blair | 02/13/2012

Calvin Say has been speaker of the Hawaii House of Representatives since 1999 and has survived several attempts to unseat him from the top job.

And yet, with the support of a majority of fellow House Democrats, he has been re-elected speaker like clockwork every two years.

Turns out that last Aug. 1, 27 of those supporters received \$2,000 each from a political action committee called Citizens for Responsive Government. Many of the others are committee chairs.

They included the top-ranking House leaders: Speaker Emeritus Joe Souki, Vice Speaker Joey Manahan, Majority Leader Pono Chong and Finance Chair Marcus Oshiro.

The chair and treasurer of the PAC? Calvin Azama, the speaker's own chief of staff.

According to one report, a former treasurer is Brian Takeshita, who worked for Say as a special assistant and is now assistant chief clerk in the House.

Say did not return a call requesting comment on Friday.

All told, the PAC gave \$53,000 to the supporters, according to its July 1 - Dec. 31 filing with the Hawaii Campaign Spending Commission.

It still had more than \$100,000 cash on hand at the end of the year.

Only one House dissident — the name for House Democrats who have tried to depose the speaker — received money from the PAC. That was Linda Ichiyama, who later switched her loyalty to Say.

Two other House reps who got money, Jo Jordan and Derek Kawakami, were appointments to replace lawmaker who left the House.

Familiar Donors

There is nothing illegal about the PAC. But it reveals the close link between money and politics.



Chad Blair/Civil Beat

Add a comment...
Matthew LoPresti · Top Commenter · Works at Hawaii Pacific University
So his PAC give money to the chairs, and the chairs send bills to Say's Finance Committee, which don't belong there, all so Say can corrupt the process by hiding bills and hearings away from the public and the democratic process. It may not be illegal but it SHOULD be illegal for any politician or his staff to set up a PAC to reward or punish those who know and those who have the integrity to think for themselves and act for their constituents. Is this a Banana Republic? What on Earth is going on that this can happen and that these other legislators are even considering accepting money from this PAC? Please follow up on this story Civil Beat to track votes with or against the speaker correlate that with money received or not received by the PAC this session. This whole thing is rotten to the core.
Reply · Like · February 17 at 4:54pm
Matthew LoPresti · Top Commenter · Works at Hawaii Pacific University
This is disgusting.
Reply · Like · February 17 at 4:49pm
Karen Chun · Top Commenter · UC Davis
This is despicable. And people wonder why we have the Occupy movement?
Reply · Like · February 13 at 9:05pm
Patricia Blair · Top Commenter · Wichita State University
Many thanks, Chad.
Reply · Like · February 13 at 8:49am

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Exhibit 24

akers-pac/

2/21/2012

New voter maps leave incumbents at odds

POSTED: 01:30 a.m. HST, Feb 28, 2012

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By B.J. Reyes
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The latest plan for state House and Senate districts tweaks some boundaries to keep communities intact but does not change district lines in seven areas where incumbent lawmakers would have to run against each other this year.

Members of the 2011 Reapportionment Commission unveiled the new maps at a meeting Monday.

Commission Chairwoman Victoria Marks said she is satisfied the plan meets constitutional requirements, although various parties continue to talk about another potential legal challenge.

"We keep hearing all these rumors, so who knows," Marks said. "I'm satisfied with it completely."

The boundaries are being studied by a faction of House Democrats who say the new maps are overly favorable to House Speaker Calvin Say. In the six situations where sitting lawmakers were placed into the same House districts — meaning they would either have to run against another incumbent or move into an open district — four involve members of the 18-member dissident faction that has sought to oust Say. (The seventh case involves a Senate district.)

"I would again urge this commission to carefully consider how the plan continues to unduly favor a political faction in light of some of the very factional lines that currently exist in the state Legislature," state Rep. Della Au Belatti (D, Makiki-Moiliili) told the panel.

Belatti was redrawn into a district against state Rep. Scott Saiki (D, Moiliili-McCully), a fellow member of the dissident faction.

The nine-member commission was appointed by leaders in both chambers — two each by the House speaker, Senate president, House Republican leader and Senate GOP leader. Chairwoman Marks was appointed by the Supreme Court.

The commission's technical committee, which was charged with drawing the maps, is comprised of two Democratic and two Republican appointees.

"I don't know how legitimately one could claim that you're favoring any party or a faction," Marks said.

Dylan Nonaka, a Republican appointee who was on the technical committee, called the favoritism claim "baseless."

"In order for there to be some kind of conspiracy against the dissidents, it would require that the Republicans like myself be doing the bidding of Calvin Say, which is utterly ridiculous," Nonaka said.

Exhibit 25

http://www.staradvertiser.com/newspremium/... w\_voter\_maps\_leave\_incumbe... 2/28/2012

The maps were presented Feb. 15, with public comment taken at two meetings last week. Commissioners made slight changes to keep intact areas whose residents oppose their communities being split or being included with a community that does not share their legislative concerns.

Those areas included Newtown, Ocean Pointe, Makakilo-Haleiwa-Waialua and Maunawili.

"Maintaining community integrity was a significant consideration," said Commissioner Calvert Chipchase IV.

The commission is poised to approve the plan at a meeting Wednesday and send it to the state Office of Elections for approval.

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AN UNLIKELY REVOLUTIONARY

Matsuo Takabuki and the Making of Modern Hawai'i

a memoir by

Matsuo Takabuki

assisted by Dennis M. Ogawa

with Glen Grant and Wilma Sur

University of Hawai'i Press
Honolulu

Exhibit 26

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At the Heart of a Revolution

Speaker of the House in the state legislature and later as a U.S. senator. Fong was not a "Republican" in the traditional, white Merchant Street mold. Elected because he was a "local," his political base was largely from the populace. He developed an independent, local image that was unencumbered by the albatross of white Merchant Street affiliation. As a lawyer and businessman with a non-white political base, Fong, a Republican, was not so different from a moderate Democrat.

Tom Gill, the aggressive head of the liberal wing of the Democratic Party, was different. The Burns faction was moderate, independent, and relatively conservative on fiscal policies. While they were sympathetic to labor, they were also concerned about business, especially small business. Labor would always be given an audience, but the Burns faction was not going to be controlled by them. Tom Gill, however, was more labor-oriented. Born and raised in Hawai'i, Gill was not a member of a chosen Kama'aina family. Instead of attending the exclusive Punahoa School with most other haole elite, he attended Roosevelt High School, a public school. When he came back to Hawai'i from law school, Gill represented the Art Rutilledge-led labor unions, and he became the leader and spokesman of the party's labor-oriented faction. When Gill refused our overtures to reach an accommodation within the broad structure of the Party, we parted into competing and often conflicting factions with a different agenda and priorities.

There was never any real accommodation after that. The division flared up at the county and state conventions, where there was a struggle for internal Party control that evolved into organizational fighting in the legislature. Unaligned legislators blurred the lines between these factions, with powerful egos. Political muscle moved individuals one way or another until a majority was put together. Leadership and control were at stake in these struggles, which sometimes left deep, bitter, long-lasting scars.

George Ariyoshi was another leader who impacted the political scene during this period. He had started his career in

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AN UNLIKELY REVOLUTIONARY

and calling on people privately for help. I also knew that I had a certain amount of leverage within the community as a councilman to rally political support for Burns. My personal closeness to Jack Burns was well known and helped me to garner support for his campaigns. The fact that I had also become closely affiliated through my law practice with many businessmen in financial circles helped. To work privately in the background, away from the media, was the best way I got support.

As a governor, Jack Burns always did what he thought was right. I never interfered. He had good instincts and judgment as well as a strong sense of character and heart. I never said anything unless asked. Despite the criticism that comes with the job, Jack Burns always did the best he could, showing his concern and compassion for people, especially the weak and poor. He had an extraordinary understanding of the islands' political and social systems, and did not allow his ego to interfere with a vision of a new Hawai'i. History, I believe, will place him as one of the great governors of Hawai'i.

During my political career, I learned that dealing in politics was quite different from dealing in business. In business, either the deal is on or it is off. Both sides of the negotiations have to feel that they are benefiting from the deal. Overreaching is the beginning of a fractured business relationship. Both parties have to be prepared to give and take, knowing the options available to them and the risks they are taking. The deal that is finally settled upon should be fair and reasonable to both parties, with an eye to creating a lasting relationship.

In politics, however, the ultimate bottom line is power, based on how many votes each party carries. If a party is in the minority, it can only sit on the sidelines and challenge and harass the majority. Because votes often change in the way that is unpredictable, with egos often getting in the way. Politics, as the 1950s and 1960s made strange bedfellows.

During the 1950s and 1960s, some powerful personalities emerged in the political scene in Hawai'i. Governor Burns, Hiram Fong was one of these leaders. He had served as





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A Case of the Hives

Inoys, and Cavallo, all of whom had campaigned for Kenny Brown, the paper wrote:

Individually, their following is considerable. Collectively, it is massive. But the combined (a) the ability to do so and (b) the strength of a substantial number of those who want to do so.

Tom Gill... never doubted his victory. The Establishment's opposition to him cast him as something of an underdog, a role which he willingly and productively accepted.

He never rocked the boat, he never fought back... His campaign was "cool." He was not his usual strident self. The Hawaii Star-Bulletin pinpointed the beginning of the downward spiral for the Burns organization when it wrote: "In retrospect, things began to go wrong from the Governor's standpoint from the moment Elaine Cavahoe turned down the vacancy in the Lieutenant Governor's office six months ago and Humphrey Dumphy never really got put back together again."

Honolulu's two rival union leaders were quick to agree upon a strategy for the general election. Jack Hall, the ILWU chief, warned, "The people had better stick to the Democratic side because everything done by the administration to build a stable economy may go down the drain."

Art Rutledge, head of the AFL-CIO's Unity House, came to the same conclusion, but from a vastly different perspective. "Tom Gill has been elected to a partnership in running the Government. Burns has got to make this clear now, the quicker the better."

The ink was still wet on the primary election returns when the Republican standard-bearer for governor, Randolph Crossley, began to throw Governor Burns' primary campaign back at him.

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The Making of a Consensus

of South Africa. Botswana and Lesotho. The ostensible reason for sending the governor of Hawaii was that Botswana was Hawaii's antipode—that point which is on the exact opposite side of the planet. With him, Governor Burns took Alfred Lauer, the state director of labor and Dr. James Robinson, director of Operation Crossroads Africa. On his departure, Burns told the press: "I deeply regret only the coincidence that I must be out of the State at a time when I should be here to give all the support I can to the man who must be our next lieutenant governor, Kenneth F. Brown."

Burns did not leave his campaign staff empty-handed. He had made nine one-minute television spots. They presented Burns at his worst: a staff unendingly complaining, saying that the needed "a partner, not a commander-in-chief deputy, not a constant critic." Burns attacked Gill, but Burns wanted Gill for his lieutenant governor. "This is his ticket," a strident Burns protested. "Mr. Gill knows it is not true. He knew it long before he announced his candidacy."

In his 1972 book, *Crash a Wave*, reporter Tom Coffman wrote about how Burns learned the results of the 1966 primary election: "The primary was on Sunday (1 October). Very early Sunday a Star-Bulletin editor placed a call to Burns in Botswana. The telephone operator didn't know how to route the call, so the editor suggested she go through Europe to Cape Town. Finally, she made the connection. "How did the election come out?" Burns asked from the other side of the world.

The Governor was told that he had won, but that Gill had beaten Brown. Burns asked, "How many votes did I get?" "The answer was 86,000." "How many did Gill get?" "The answer was 90,000."

There was a long pause, finally broken by a question from the editor. Burns interrupted, "Would you give me those figures again?" The Honolulu press got it right: *The Hawaii Star-Bulletin*, of *Advertiser* printed out on its editorial pages that Gill's victory over Brown "proved again that political popularity is rarely transferrable." On Burns,

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Second Term

during his first term, focusing upon familiar themes: education; full employment; the development of new industries, "in particular, those oriented to ocean sciences"; preservation of Hawaii's natural beauty; the creation of new recreational opportunities; and, finally, the theme of Pan-Pacific leadership, announcing a joint state-federal Pacific Conference on the Problems of Urban Growth for May 1967.

Gill's inaugural address contrasted markedly. He sounded like a man who had just been elected with a mandate to clean up the mess he had inherited from his defeated opponent:

We can no longer escape a serious and broad result on the widely recognized problems of urban life. Pollution of our air and water; traffic snarls... shrinking recreation areas, and the remaining quality of present planning mechanism—all of these and more can like cancer through our metropolitan complex.

Gill then continued, with words that seemed to be aimed directly at Coffman: "But the work we would need to do to get serious about cleaning Hawaii's air in 1970. We have to do it for the sake of our children and our grandchildren, and we have to do it for the sake of our people who live in the office as the road to private gain."

While Gill made no specific accusations, his friends from the AFL-CIO Council on Political Education (COPE) were raising serious questions about a land deal that had been consummated by a company called Ethereal, Inc. COPE charged that Ethereal had purchased land from the Ohia Sugar Company in Waiipahi in 1965 which included a private park—Hana L'Ouange Park—that had been maintained by the company for many years for the benefit of its employees and other residents in the area. During the 1966 session of the legislature, COPE charged, Senator Nideo Yoshinaga, Ethereal's vice president, had introduced a bill allocating \$105,000 for the State to acquire the park, money that would go directly into the pockets of Yoshinaga and three other Burns loyalists who were principals in Ethereal: Misao Puniy Yokouchi, president of Ethereal and Burns appointee; chairman of the Hawaii Foundation on Culture and the Arts; and Nideo Yoshinaga, treasurer of Ethereal. The charge hung like a cloud over the impending organization of the Hawaii state senate.

On the surface, the state senate in 1967 looked very much like the

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Second Term

ness. The governor also proudly announced that the state government had ended the 1966 fiscal year with a surplus of \$12.8 million, and expected to end the 1967 fiscal year with a \$7 million surplus. "The economic outlook is not as clear-cut as it appeared when we met here a year ago," Burns told the joint session, "although most signs point to continued prosperity and high productivity."

As the senate's organizational struggle continued, Burns' people asked the name of Kamihisa Abe, former Big Island senate president, as a potential candidate for the state supreme court. Burns wanted to reward Abe for having declined the lieutenant governorship in 1966, for having stepped aside in the senate race when it was clear that there were too many neighbor island incumbents fighting for a smaller number of seats, and for having supported Kenneth Brown's candidacy in the primary contest against Gill. The Gill forces were incensed by Abe's reward. As Doug Boswell wrote: "The two men [Burns and Gill] are engaged in a capsule of bitterness which points toward a crisis for the Democrats in the primary election of 1970..." Many Democrats believe Burns now has no choice but to run for a third term in 1970 as a means of blocking Gill's drive for the State's top elective post."

On 24 February, the senate finally organized itself. The compromise candidate for senate president—the spot Doi had sought—was John Huiens, a member of the Burns wing of the Party who was best known for his advocacy of a state-owned inter-island ferry. Ways and Means—the post covered by Yoshinaga—went to Vincent Kani, a member of the Gill wing of the Party. In an appointment of the House of Representatives, John Ushigami went to the chair of the Judiciary Committee. With these appointments to the supreme court coming up during the session, the committee of the Judiciary Committee would be crucial to the success of the governor's appointments.

One month into the legislative session, Governor Burns decided he needed a legislative liaison, a role Bill Richardson had frequently played for him as lieutenant governor. Gill had suggested the post for himself, but Burns ignored the suggestion. Instead, he decided to use Myron "Pinky" Thompson who had been appointed to the cabinet-level post of director of administration. Thompson filled the position which had been vacated by Bill Norwood in July 1966 when he became the high commissioner of the trust territory of the Pacific. Tom Gill's first reaction to Thompson's appointment was positive:

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The Making of a Consensus

1966 senate. The Democrats still enjoyed a two-thirds majority, the Republicans having reduced the Democratic majority by only one, from 16 to 9 to 15 to 10. The change, however, was far more than the one-seat difference would suggest. That change was geographic. With respect to the state senate had gone from a 15 to 10 neighbor island majority to a 19 to 6 Oahu majority. In the 1966 elections, Oahu members of the state house of representatives had scrambled to move over to the Burns' influence in a decidedly different roster of senators. Governor came from the neighbor islands—yet another by-product of reapportionment. The man who gained the most from this change in geographic distribution was Tom Gill.

When the fifteen senate Democrats attempted to organize themselves, they found themselves split into two factions—the Burns faction, led by Nideo Yoshinaga who had moved from Maui to Oahu as a result of reapportionment, and the Gill faction, led by Nelson Doi from the Big Island. Each group had seven members. The troublemaker was George Aiyoshi, who sought to play the role of peacemaker. None of his efforts to resolve the impasse before the legislative session began proved successful and as the 1967 legislative session convened, the majority Party was still unable to organize itself. The struggle became so bitter that David McCubbin, a member of the Gill faction, even suggested that Republican Hidden Forester be elected senate president.

Once the senate had convened, the Doi forces attempted a bold move when they tried to replace Burns loyalist Shadow Hirai, the popular clerk of the senate. When it became clear, however, that Hirai had the votes necessary to retain his position, the Doi faction quickly backed off. The attempt to have Hirai removed was ill advised, and not quickly forgotten—or forgiven. The publication, who gave the Doi faction a position to engage in some serious maneuvering, was William H. "Doc" Hill, the editor of the state senate, commented on the Democratic confusion: "In the thirty-nine years since I became a legislator, I have seen skullduggery and may have been mixed up in some myself, but I've never seen anything like this."

On the second day of the legislative session, in his state of the State message, Burns made no mention of the division within the Democratic Party. Instead, he offered an expanded version of his recent inaugural ad-

JOURNAL

of the

HOUSE OF REPRESENTATIVES

of the

TWENTY-FOURTH LEGISLATURE STATE OF HAWAII

REGULAR SESSION OF 2007

Convened Wednesday, January 17, 2007 Adjourned Thursday, May 3, 2007

FIFTEEN

Second Term

JACK BURNS MEANT IT when he told Tom Gill that there would be no Burns-Gill administration. The new lieutenant governor, learned quickly that he was not in the "partnership." Art Rutledge had proclaimed in October 1966. Any chance that partnership might have had ended with Gill very first public exposure as lieutenant governor. Burns had asked Gill to state the special size of food prices in Hawaii. Burns was looking for something to hint Randolph Crossley's attack on his administration for the state excise tax on food. Gill turned this campaign assignment into his first job as lieutenant governor. In a revealing reminiscence, Tom Gill discussed his approach to the matter:

We put together a pretty good committee and held quite a few hearings. I guess we got more publicity out of it than I should have. And we sent the report to the legislature and to the media at the same time. But that's what I did. I had heard that I had done great. It to [Burns] first, even though he said nothing about it.

The 177-page food price report Gill released on 15 March 1967 was an outstanding analysis of the subject—thorough, analytical, and based upon significant community participation. But it was received by the public as a powerful statement by Tom Gill rather than an initiative of the Burns administration.

Few doubted that a contrast between the two men had begun. When Burns and Gill were inaugurated on 3 December 1966, neither mentioned the other in his inaugural message. In his speech, Burns looked forward to a continuation of the progress his administration had made

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THIRTY-SIXTH DISTRICT: Roy M. Takami

THIRTY-SEVENTH DISTRICT: Ryan J. Yamane

THIRTY-EIGHTH DISTRICT: Marilyn B. Lee

THIRTY-NINTH DISTRICT: Marcus R. Oshiro

FORTIETH DISTRICT: Sharon E. Har

FORTY-FIRST DISTRICT: Jon Riki Karamatsu

FORTY-SECOND DISTRICT: Rida T. R. Cabanilla

FORTY-THIRD DISTRICT: Kymbertly Marcus Fine

FORTY-FOURTH DISTRICT: Karen Laniwai Awana

FORTY-FIFTH DISTRICT: Mate S. L. Shimabukuro

FORTY-SIXTH DISTRICT: Michael Y. Magaony

FORTY-SEVENTH DISTRICT: Colleen Rose Meyer

FORTY-EIGHTH DISTRICT: Ken Ito

FORTY-NINTH DISTRICT: Pono Chong

FIFTIETH DISTRICT: Cynthia Thielens

FIFTY-FIRST DISTRICT: Tommy Waters

INTRODUCTION OF RESOLUTION

The following resolution (H.R. No. 2) was read by the Temporary Clerk and was disposed of as follows:

H.R. No. 2, entitled: "HOUSE RESOLUTION ELECTING THE SPEAKER AND VICE SPEAKER OF THE HOUSE OF REPRESENTATIVES OF THE TWENTY-FOURTH LEGISLATURE," electing the Honorable Kalin K.Y. Say, Representative from the Twentieth District and Jon Riki Karamatsu, Representative from the Forty-First District, as Speaker and Vice Speaker, respectively, of the House of Representatives of the Twenty-Fourth Legislature of the State of Hawaii was jointly offered by Representatives Caldwell and Finnegan.

Representative Caldwell moved that H.R. No. 2 be adopted, seconded by Representative Finnegan.

Representative Saiki rose to speak in opposition to the measure, stating:

"Mr. Chair, I rise to speak in opposition to this motion. Mr. Chair, I have some written comments that I'd like to insert into the Journal, and I'd also like to summarize my comments.

"Thank you, Mr. Chair. Mr. Chair, first, I want to apologize to all of the family members and other guests who are here today. It's not ordinary to speak in this context on Opening Day because, after all, this is a ceremonial day for all of us. But the fact of the matter is that we do take important votes on Opening Day, one of which is the vote for the Speaker, and this is the only opportunity that the Members of House have to voice their opinions on this matter.

"Mr. Chair, for the last two years, I have been quiet in hope that things in the House would get better, but they did not, and that is why I am voting "no" on this Resolution, with all due respect to my colleagues in the House.

"As you know, I spelled out some of my reasons for voting "no" in an opinion piece that was published in the Hawaii Tribune Herald and Honolulu Star Bulletin. I received about two dozen responses to that piece. The common reaction was that I should have been more specific, so I'll try to be more specific this morning, again with all due respect to my colleagues and to all of the guests who are here today.

"As a Democratic majority, our responsibility is to enact good legislation to benefit all Hawaii residents, not just a connected few. Eight years ago, the House elected a new Speaker. I was proud to be a part of that movement. I had a lot of hope that the Democrats, with new, young elected Representatives, and through sound legislation, would restore public confidence in government and would make good policy decisions in an honest and informed way. I had a lot of hope that we would recognize changes occurring within our State and work to address them.

"I was a part of that leadership team for six years. We did some good, far-ranging things. By working with the Senate, we passed landmark legislation to enact a bottle recycling bill, reform the school budgeting process, fight the ion epidemic and make prescription drugs affordable. But even while we implemented these programs, I discovered too often that certain individuals were taking us back to the politics of the past.

"The priority for some was to protect narrow interests based on personal relationships with those who would benefit from the legislation. For example, we were asked to approve a \$100 million subsidy for a private raceway park, even if it compromised ethical standards. We were asked to pass legislation to allow the developer to build a subdivision on agricultural land even if it meant circumventing our House Rules and a State court ruling.

"As part of the majority, we should not have to spend time fighting such bad policies. I believe that we should be asked to govern. We should be asked to restore public confidence in government. We should be asked to carry out our constitutional duty to act as a separate and equal branch of State government and to identify policy priorities, develop solutions and enact them even over the Governor's objections and regardless of the Governor's political affiliation. And that is why I believe that we require new leadership.

"New leadership will ask us to enact and enforce ethical standards to prevent self-dealing. New leadership will ask us to approve real renewable energy legislation to protect the environment. New leadership will ask us to approve tax relief for hard working families. New leadership will ask us to raise our standards in terms of how we make decisions, enforce ethical rules and resolve our State's challenges.

"This is what we can do if we are not distracted by bad legislation and narrow interest. I have not given up on this Session. There is great potential for the new Members of the House. If we work with the Senate, we will pass good legislation and we will move our State

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2007 HOUSE JOURNAL - 1st DAY

continuity. Instead, I am disturbed that we operate within a culture where the politics of retribution and punishment are the norm and protecting our elected positions is more important than the public good.

"Despite my deep concerns about the organization of this House, Mr. Chair, I am optimistic that the people's work will get done and that our Members will prove to pass a progressive package that addresses the concerns of families. We need to do this because despite the recent prosperity of our State, the price of paradise is now exacting too much on our working families and the middle class.

"We must pass the earned income tax credit that provides targeted relief to our families who are struggling the most. We must also preserve Hawaii's environment for future generations and not give in to the temptation to squander our natural resources.

"Mr. Chair, I speak out today and vote "no" to this Resolution because I believe there is still hope. There are problems that Hawaii is facing that are bigger than us all, and this is no time to sacrifice progress so that a few can cling to power and maintain the status quo. I believe this House can still do great things if it chooses to put community before self-interest and people before politics. Thank you."

Representative Caldwell rose to speak in support of the measure, stating:

"Good morning, Mr. Chair. I rise in support of the motion. Mr. Chair, I would say no apology need be given for these statements made on the floor today for this is the people's House, Mr. Chair, and we represent all the people.

"We encourage debate on the important issues and this is one of those debates, and I am proud to be the Majority Leader and stand before this Body and to be part of this discussion in the open, in open sunshine, in front of our friends, families, honored guests, and others. I think it says everything about what we're about as Americans, as citizens of Hawaii, and about our rough and tumble business of American democracy. This is the people's House. This is the kind of discussion we have.

"This discussion's been ongoing since the reorganization challenge. We've been open in every Caucus to people airing their views and talking about various leadership styles. We have voted and reorganized the House and I am proud to say that out of 18 Chairs, we have 8 chairs who have four or less years of experience. This is not a top-down. This is not "old boy." This is not a shouting out of discussion. This is opening the House to full discussion and allowing those who may not have much experience in this legislative body to bring fresh and new ideas and perspectives.

"Many of these Chairs come from our Neighbor Islands, and those Neighbor Islands need to be represented. So I am proud to say that this organization structure that has been put in place by Speaker Calvin Say and with help from many others in our Caucus is about openness, is about giving people a voice, is about moving forward.

"And I welcome the ongoing discussion that we may have as we go forward this Session on many of the important issues of the day. Whether it be on energy, we do owe the people of this State better energy proposals, and we are going to continue to work hard on that. I think it says everything about what we're about to bring discipline to this House where we need. On involving the public, we are open for business every day of the week in our offices and in our Committee hearings. This is an open House. This is a House, I think, we can be proud of being members of, and I don't think we owe an apology to anyone here for the debate that we are having right now. But I do request all Members to please vote "yes" on this Resolution. Thank you very much, Mr. Chair."

"When you start with almost 17, 18 hundred bills in the House and come out with 260 at the end, it's about debate, it's about going around and working on the issues and coming to agreement. So, this does work and I strongly support this Resolution. Thank you."

Representative Waters rose to speak in support of the measure stating:

"Thank you, Mr. Speaker, in support. Under Calvin Say's leadership, Hawaii has realized a thriving economy, a robust construction industry, and a lot of better ways to bring discipline to innovative technology. We supported our University with over \$50 million in new money last year, and over \$100 million for repair and maintenance of our schools. Mr. Speaker, sunny days and bright skies. The future looks bright. And as Beltrami says, 'Ain't no mountain high enough.' Thank you."

The request for a roll call vote was put to vote by the Chair and upon a show of hands, the roll call was approved.

Roll call having been approved, the motion that H.R. No. 2 be adopted, was put to vote by the Chair and carried on the following show of Ayes and Nays:

Ayes, 48: Representatives Awana, Berg, Bertram, Brower, Cabanilla, Caldwell, Carroll, Chang, Chong, Evans, Finnegan, Green, Hanabano, Har, Herkes, Ito, Karamatsu, Lee, Magaony, Manahan, Marumoto, McKelvey, Meyer, Mizuno, Morita, Nakamoto, Nishimura, B. Oshiro, M. Oshiro, Fine, Rhoads, Sagumi, Say, Shimabukuro, Sonson, Souki, Takai, Takamine, Takami, Thielens, Tokioka, Tsuji, Wakai, Ward, Waters, Yamane and Yamashita.

Nays, 3: Representatives Belatti, Luke and Saiki.

The Temporary Chair appointed Representatives Caldwell, B. Oshiro, Finnegan and Meyer to escort the newly elected Speaker to the rostrum.

The Temporary Chair then stated:

"Members of the House of Representatives, I present the Honorable Calvin K.Y. Say, the Speaker of the House of Representatives of the Twenty-Fourth Legislature," and presented the Speaker with the gavel.

The Speaker then addressed the body, stating:

"Members of the House: Thank you for your vote of confidence and support. I pledge to you that I will execute my duties and responsibilities with fairness consistent with the Hawaii State Constitution and the State statutes.

"I would like to share with the Members of this House, family and friends, people of the State of Hawaii. This is your House. This is your democratic House, and this is how we operate in full and public discussion over these past eight years. I applaud those who voted against me because for me, it is constructive criticism in improving one's behavior and responsibilities for this major institution."

The Chair then appointed Representatives Caldwell and Finnegan to escort the Honorable Jon Riki Karamatsu to the rostrum.

The Chair presented the Vice Speaker, stating:

"Members of the House of Representatives, ladies and gentlemen, I present the Honorable Jon Riki Karamatsu, Vice Speaker of the House of Representatives of the Twenty-Fourth Legislature."

Representative Luke rose to speak in opposition to the measure, stating:

"Thank you, Mr. Chair. Mr. Chair, I greatly appreciate the words of the Majority Leader, but I must speak in opposition to this Resolution. And I do appreciate the words of the Majority Leader. And I do believe that we can do great things. Together we can make good legislation and solve more problems. And together we can overcome obstacles and some of the challenges that are faced today and beyond, and to work together to do good for the State of Hawaii. And I do appreciate his words that we, too, will remain open and continue great discussion and debate on this floor and throughout.

"However, Mr. Chair, as I said before, I rise in opposition to this Resolution. Mr. Chair, we all reformist by nature and that's why we run for office, to bring changes that will benefit the public and make government responsive to its people.

"However, over the years, our residents have lost faith in government to do the right thing. And at the core of that cynicism is a view that the Legislature is filled with entrenched cronies who benefit from self-dealing and from self-interests. Even last year, when I spoke to the Advertiser's editorial community board members, the biggest issues that they perceived was the self-dealing that was going on at the Legislature and they asked me to look at various ethics laws, Sunshine laws to help the public understand and, perhaps, lead to transparency in the Legislature. Out of all issues, that one's biggest concern and that was their biggest issue that was brought up at the Community Board.

"Because of this cynicism fewer and fewer residents vote as they become more skeptical about our government. So instead of making reforms, what do we do? We ignore these concerns, and rather check tighter and tighter in the status quo. We must stop the self-dealing and make reforms to earn the trust of the people. We owe it to ourselves to do better. We owe it to the future to do better.

"Many of us became legislators with hopes and dreams to do great things, solve real problems. Some of us have tried to make changes from within. However, if we cannot trust the process, how can we trust the product? I have lost my faith and trust in the Speaker nominee. The lack of vision, the lack of leadership, and the need to hold on to power and the old ways of doing things have been more than just disappointing. It simply breaks my heart. Because we need to provide hope, because we need to provide courage, I am voting in opposition to this motion. Thank you."

Representative Caldwell rose, stating:

"Yes, Mr. Chair, I don't know if there's going to be any further comments, but when it comes time for a vote on this motion, on this Resolution, which I'm encouraging everyone to vote "yes" on, I would like it to be a roll call vote. To continue that open sunshine, we can ask and show to all the people of our State that we stand on this Resolution. Thank you very much, Mr. Chair. So, roll call, please."

Representative Evans rose to speak in support of the measure, stating:

"Thank you. I rise in strong support of this Resolution. I want to comment on some of the previous speaker's comments. This process does work. It's incredible. I have been here for 15 years. This is my third term, my fifth year, and without a doubt, it is a process.

"There are 51 people in this Chamber. It takes a majority to pass legislation. When it came to determining who our leadership team would look like, it was by vote. There was a process. It works. I think the people of Hawaii should be very proud of what comes out of this House, and it is all about process.

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forward. I hope that the House is up to the challenge. Thank you very much, Mr. Chair."

Representative Saiki's written remarks are as follows:

"State House Needs Real Reform Representatives Scott K. Saiki and Sylvia J. Luke.

One key indicator of how the Legislature will conduct business is the way it selects its leaders and committee chairpersons. The Senate has gone in the right direction with its focus on openness, moving away from petty politics and the status quo. Unfortunately, the same cannot be said of the House of Representatives.

As was recently reported, key community leaders, such as U.S. Senator Daniel Inouye, recognized that House Democrats are factionalized and attempted to fix it. On the day after the general election, Democratic Party Chair Mike McCartney convened a meeting with Representatives Calvin Say, Riki Caldwell, Marcus Oshiro and ourselves. Senator Inouye specifically requested veteran Finance Committee Chair, Dwight Takamine to attend.

At the meeting, Senator Inouye expressed his hope that the factions would resolve their differences and work together for the good of the State. He then asked Rep. Takamine to serve as a mediator and to bring the sides together to work out a compromise.

Immediately after Senator Inouye and McCartney left the meeting, Rep. Say told the group that he intended to serve as speaker for the next eight years and would do whatever it took to retain that position. The following week, as he gathered votes, he did not respond to Rep. Takamine's requests to meet.

Rep. Say eventually garnered the 26 votes he needed to continue as speaker. But in doing so, he and the House leadership team denied that Senator Inouye had requested a compromise, and then ousted Rep. Takamine and other House members who had not supported them. In doing so, the House lost an opportunity to provide real leadership and to bring about change in the way the House conducts business.

However, moving forward, we must all recognize that we were elected to serve the general public, and that it is not too late to bring about real reform. By working with the Senate leadership, the House can implement a progressive agenda that will improve the Legislature and residents' quality of life. Here are a few things that we can do.

- 1. Increase ethical standards. The House needs to prevent self-dealing from occurring. Self-dealing results in bad legislation and policy decisions. We must set higher standards and learn to enforce them - even against our colleagues.
2. Approve immediate tax relief for working people. Programs such as the Earned Income Tax Credit (EITC) can provide over \$20 million in annual tax relief for thousands of working families in Hawaii. The federal government and 20 other states have already adopted the EITC. Hawaii should provide this and other tax relief to our residents.
3. Pass an aggressive renewable energy agenda. In recent years, the House has watered down bold proposals to reduce our reliance on oil. We can no longer afford to do this. We must set a comprehensive plan to reduce our dependence on foreign oil and its impact on other facets of our economy. We cannot continue to prolong action if we are to become more self-sufficient.
This is just an example of what is possible. For six years, we served as part of Rep. Say's leadership team, but resigned in 2004 when we realized that Rep. Say was not willing to change.

"It is time to put aside the old way of doing things. We believe that our generation and those that follow deserve a sharp and progressive Legislature that will work for the public interest. We hope the House is up to the task.

Representatives Saiki (D-McCallum, Moiliili) and Luke (D-Puuna, Nuuanu) previously served as Majority Leader and Vice Speaker, respectively, of the House of Representatives"

DANIEL K. INOUE
United States Senator
November 28, 2006

Dwight Takami
Dear Dwight,

I learned recently what happened in the House leadership negotiation. I fear that my request of you to facilitate between the two sides may have cost you your Chairmanship of the House Finance Committee.

Dwight, I am truly sorry. Had I had any talking of the Hawaii position I based on the high regard I hold you and that you are held in by both chambers and by many leadership circles from business, non-profit to labor. It was also based on the need to at least try to get behind the scenes and focus on strengthening the institution in light of our Democratic victories at the polls. Too much energy had been focused on fighting and expelling each other across the caucus table, all the while putting the Governor's interests at a risk.

I fear my friend that I may have made things worse - with more, not less blood, on the floor. If there is anything I can do for you, please do not hesitate to contact me. I love you man.

DANIEL K. INOUE
United States Senator

The Honorable Dwight Takamine
Representative
Hawaii State House of Representatives
State Capitol
Honolulu, Hawaii 96813

The Honorable Calvin Say
The Honorable Sylvia Luke

Representative Belatti rose to speak in opposition to the measure, stating:

"Mr. Chair, I also rise in opposition to this Resolution and have a few remarks. First, I also apologize to our guests as this is typically a day of ceremony and celebration. However, I cannot in good conscience let this moment pass without recording my dissent.

"It has been whispered about me that I should learn to do like a freshman. That I should know my place. Mr. Chair, my place is on this floor and I refuse to be intimidated from using my voice and exercising my right to vote.

"Mr. Chair, my hope upon being elected was that the leadership of this House would be based on the principles of compromise, fairness and respect. Surely, these same principles should also operate in the policy-making arena to arrive at the very best laws for the entire

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INTRODUCTION OF RESOLUTIONS

The following resolutions (H.R. Nos. 3 and 4) were read by the Clerk and were disposed of as follows:

H.R. No. 3, entitled: "HOUSE RESOLUTION ELECTING THE OFFICERS OF THE HOUSE OF REPRESENTATIVES OF THE TWENTY-FOURTH LEGISLATURE," resolving that the following persons be elected as officers of the House: Patricia Mau-Shimizu, Chief Clerk; Kevin R. Kuroda, Sergeant-at-Arms; C.J. Leong, Assistant Clerk; and Leonard Perea, Jr., Assistant Sergeant-at-Arms, was jointly offered by Representatives Caldwell and Finnegan.

On motion by Representative Caldwell, seconded by Representative Finnegan and carried, H.R. No. 3 was adopted.

Thereafter, the Speaker administered the Oath of Office to the officers named.

H.R. No. 4, entitled: "HOUSE RESOLUTION ACKNOWLEDGING AND RECOGNIZING THE CAUCUS LEADERS AND NAMING THE CHAIRS, VICE CHAIRS, AND MEMBERS OF THE STANDING COMMITTEES OF THE HOUSE OF REPRESENTATIVES OF THE TWENTY-FOURTH LEGISLATURE," acknowledging and recognizing the Caucus Leaders and naming the Chairs, Vice Chairs, and members of the Standing Committees of the House of Representatives of the Twenty-Fourth Legislature of the State of Hawaii. Regular Session of 2007, as listed below, was jointly offered by Representatives Caldwell and Finnegan:

- Majority Leader: Kirk Caldwell
Majority Floor Leader: Blake K. Oshiro
Majority Whip: Elsie Carroll
Minority Whip: Jerry L. Chong
Pono Chong
Robert N. Herkes
Ken Ito
Marilyn B. Lee
Michael Y. Magaony
Bob Nakason
Alex M. Sonson
Joseph M. Souki
Tommy Waters
Ryan J. Yamane
Kylie T. Yamashita

- Assistant Majority Floor Leader: Della A Belatti
Joe Bertram, III
Tom Brower
Josh Green, M.D.
Page P. Hanabano
Sharon E. Har
Sylvia Luke
Joey Manahan
Angus L. K. McKelvey
John Mizuno
Karl Rhoads
Roland D. Sagumi, III
Scott M. Souki
K. Mark Takai
Dwight Y. Takamine
James Kunane Tokioka

- Minority Leader: Lynn Finnegan
Minority Floor Leader: Colleen Rose Meyer
Minority Whips: Karen Laniwai Awana
Catherine W.L. Ching

**% New Voters Between Proposed Map and Alternative Map**

	2/27 Proposed Map New Voter Percentage	Alternative Map New Voter Percentage
Overall District Average	33.3	22.2
Calvin Say's Faction	24.9	22.3
Opposition Faction	52.0	22.3
Republicans	32.3	21.5

District	Incumbent	%New Pop	%Alt New Pop
18 Hashem	30.8	34	
20 Say	12.6	17.1	
24 Choy	21.6	9.9	
26 Rhoads	39.9	22.9	
28 Mizuno	9.9	2.8	
29 Manahan	57.6	4.8	
32 Ichiyama	3.9	7	
33 Giuni	38.8	29.1	
36 M Lee	7.3	15.5	
37 Yamane	36.4	41.9	
38 Aquino	17.1	17.6	
39 Cullen	45.3	51.6	
41 Cabanilla	44.8	41.9	
42 Har	0	0	
43 Awana	9	6.4	
44 Jordan	5.7	4.2	
46 Oshiro	10.9	10.5	
48 Chong	62.1	69.4	
49 Ito	18.8	37.6	
51 Lee	27.5	21.2	
21 Nishimoto	41.8	48	
22 Brower	19.3	21.7	
23 Saiki	48.8	25.7	
23 Belatti	84.2	13.2	
47 Wooley	59.9	30.7	
33 Takai	68.4	17	
35 Takumi	59.7	15.4	
25 Luke	58.1	8.1	
50 Thellen	10.1	6.3	
47 Riviere	40.1	1.8	
41 Pine	55.2	58.1	
31 Johanson	12.3	0	
27 Ching	39.4	11.4	
18 Marumoto	69.2	66	
17 Ward	0	7	

Exhibit 29

**New Population By Incumbent District  
2/27/12 Proposed Reapportionment Plan**

District	Incumbent	Target Pop	Actual Pop	% Deviation	New Pop	% New Pop
42 Har	24188	25280	4.51	0	0.0%	
32 Ichiyama	24188	23006	-4.89	902	3.9%	
44 Jordan	24188	25219	4.26	1435	5.7%	
36 M Lee	24188	25209	4.22	1852	7.3%	
43 Awana	24188	25373	4.90	2282	9.0%	
28 Mizuno	24188	23472	-2.96	2327	9.9%	
46 Oshiro	24188	25034	3.50	2735	10.9%	
20 Say	24188	23872	-1.31	2996	12.6%	
38 Aquino	24188	25190	4.14	4297	17.1%	
49 Ito	24188	24738	2.27	4653	18.8%	
22 Brower	24188	23687	-2.07	4583	19.3%	
24 Choy	24188	23395	-3.28	5054	21.6%	
51 Lee	24188	24023	-0.68	6610	27.5%	
18 Hashem	24188	23382	-3.33	7203	30.8%	
37 Yamane	24188	25128	3.89	9140	36.4%	
33 Giuni	24188	23495	-2.87	9114	38.8%	
26 Rhoads	24188	22970	-5.04	9158	39.9%	
21 Nishimoto	24188	23090	-4.54	9657	41.8%	
41 Cabanilla	24188	25217	4.25	11296	44.8%	
39 Cullen	24188	24975	3.25	11304	45.3%	
23 Saiki	24188	23185	-4.15	11924	48.8%	
29 Manahan	24188	23346	-3.48	13442	57.6%	
25 Luke	24188	23440	-3.09	13628	58.1%	
35 Takumi	24188	24076	-0.46	14384	59.7%	
47 Wooley	24188	25340	4.70	15189	59.9%	
48 Chong	24188	25302	4.61	15715	62.1%	
33 Takai	24188	23495	-2.87	16061	68.4%	
23 Belatti	24188	23985	-1.15	16530	84.2%	

Exhibit 31

**New Population By Incumbent District  
Alternative Reapportionment Plan**

District	Incumbent	Target Pop	Actual Pop	% Deviation	New Pop	% New Pop
42 Har	24188	24662	1.96	0	0.0%	
29 Mizuno	24188	22988	-4.96	636	2.8%	
45 Jordan	24188	24822	2.62	1042	4.2%	
28 Manahan	24188	24744	2.30	1182	4.8%	
44 Awana	24188	25100	3.77	1612	6.4%	
31 Ichiyama	24188	23849	-1.40	1680	7.0%	
26 Luke	24188	24406	0.90	1669	8.1%	
21 Choy	24188	24486	1.23	2428	9.9%	
39 Oshiro	24188	23178	-4.18	2437	10.5%	
25 Belatti	24188	24155	-0.14	3094	13.2%	
34 Takumi	24188	23623	-2.34	3637	15.4%	
38 M Lee	24188	23971	-0.90	3704	15.5%	
33 Takai	24188	23683	-2.09	4031	17.0%	
20 Say	24188	25168	4.05	4292	17.1%	
35 Aquino	24188	25348	4.80	4455	17.6%	
51 Lee	24188	23363	-3.41	4947	21.2%	
22 Brower	24188	24689	2.07	5067	21.6%	
24 Rhoads	24188	24553	1.51	5619	22.9%	
27 Saiki	24188	25303	4.61	6497	25.7%	
32 Giuni	24188	23617	-2.36	6882	29.1%	
47 Wooley	24188	23124	-4.40	7088	30.7%	
18 Hashem	24188	25212	4.23	8580	34.0%	
49 Ito	24188	23005	-4.89	8656	37.6%	
37 Yamane	24188	24940	3.11	10454	41.9%	
43 Cabanilla	24188	25359	4.84	10631	41.9%	
19 Nishimoto	24188	24215	-4.25	12086	48.0%	
41 Cullen	24188	24595	1.68	12695	51.6%	
48 Chong	24188	23065	-4.64	16000	69.4%	

Exhibit 32

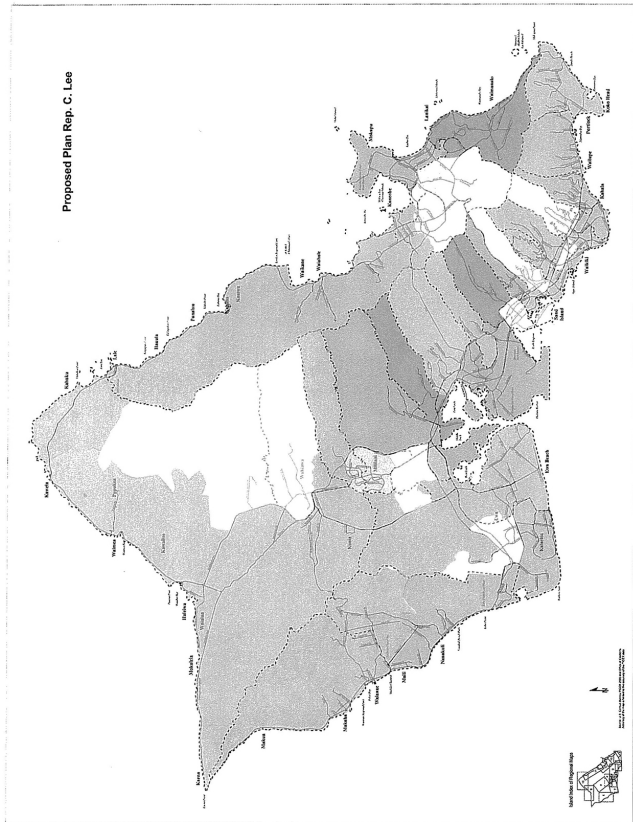


Exhibit 30

EXISTING DISTRICT 26-NUUANU & PUNCHBOWL

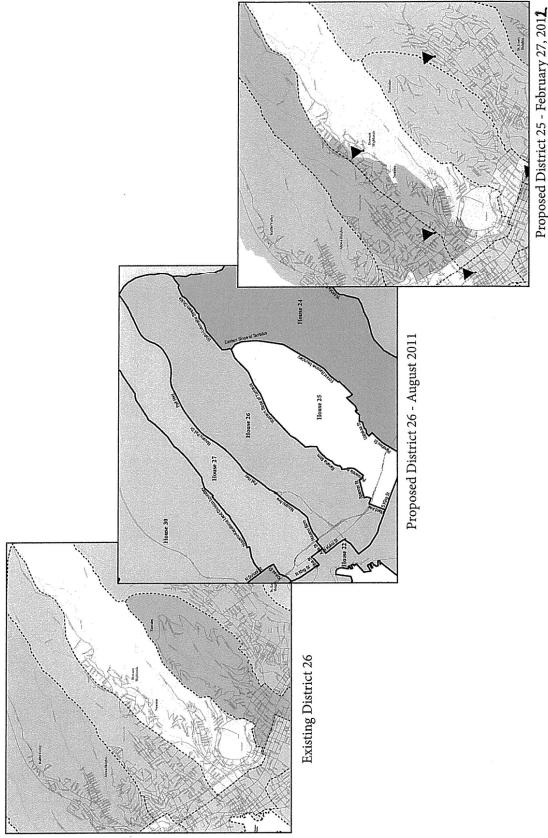


Exhibit 33-A

EXISTING DISTRICT 34-NEWTOWN, WAI'AU, PEARL CITY, WAIMALU

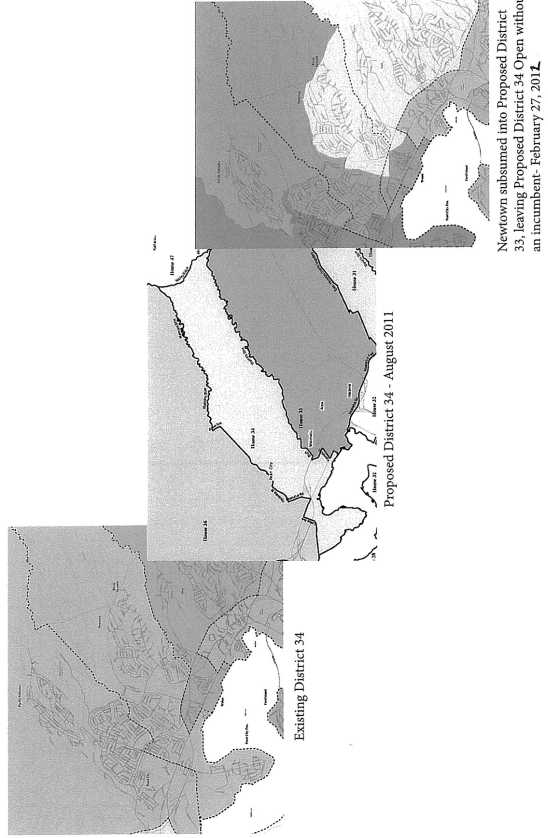


Exhibit 33-C

EXISTING DISTRICT 25-MAKIKI, TANTALUS, MCCULLY

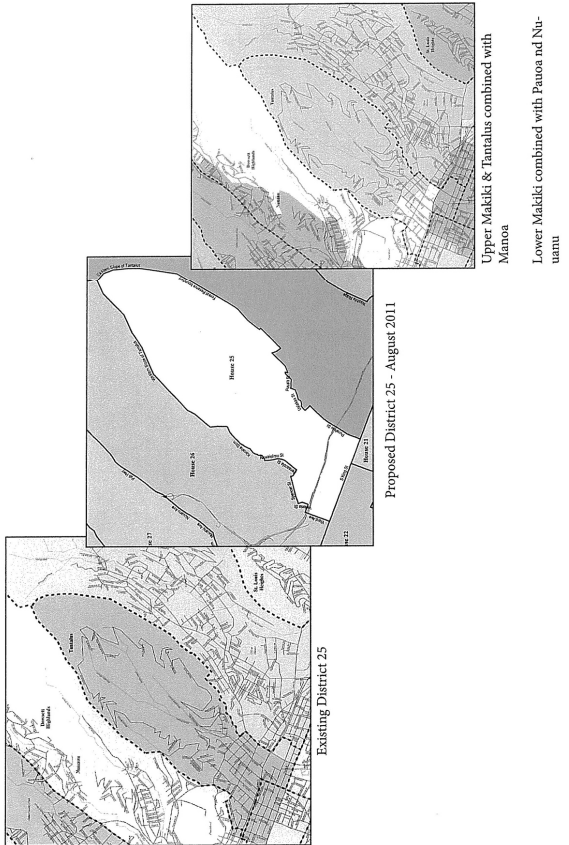


Exhibit 33-B

House District Population Deviations (February 27, 2012)

District Number	District Population	State Target Population	Island Target Population	State Target Deviation	Island Target Deviation	State Target Deviation %	Island Target Deviation %
1	26,553	24,540	26,228	2,013	325	8.20	1.24
2	26,627	24,540	26,228	2,087	576	4.53	2.20
3	25,935	24,540	26,228	1,395	-293	5.68	-1.12
4	26,990	24,540	26,228	2,450	762	9.98	2.91
5	27,129	24,540	26,228	2,589	901	10.55	3.44
6	25,239	24,540	26,228	699	-989	2.85	-3.77
7	26,098	24,540	26,228	1,558	-130	6.35	-0.50
8	26,957	24,540	25,757	2,417	1,100	9.44	4.27
9	26,976	24,540	25,757	2,436	1,219	9.93	4.73
10	24,541	24,540	25,757	1	-2,216	0.00	-4.72
11	24,705	24,540	25,757	165	-1,052	0.67	-4.08
12	25,509	24,540	25,757	969	-248	3.95	-0.96
13	25,956	24,540	25,757	1,416	199	5.77	0.77
14	22,718	24,540	22,268	-822	450	-3.32	-2.02
15	21,835	24,540	22,268	-2,705	433	-11.02	-1.94
16	22,252	24,540	22,268	-2,288	10	-9.33	-0.07
17	23,468	24,540	24,188	-1,072	-720	-4.37	-2.98
18	23,827	24,540	24,188	-713	366	-2.87	1.51
19	23,064	24,540	24,188	-1,476	-1,124	-6.01	-4.65
20	23,822	24,540	24,188	-718	316	-2.92	1.28
21	23,090	24,540	24,188	-1,450	-1,098	-5.91	-4.54
22	23,687	24,540	24,188	-853	501	-3.48	2.04
23	23,185	24,540	24,188	-1,355	-1,003	-5.52	-4.15
24	23,395	24,540	24,188	-1,145	793	-4.67	3.23
25	23,440	24,540	24,188	-1,100	-748	-4.48	-3.09
26	23,701	24,540	24,188	-1,839	1,218	-7.45	5.00
27	23,089	24,540	24,188	-1,451	-1,099	-5.91	-4.54
28	23,472	24,540	24,188	-1,068	716	-4.35	2.96
29	23,346	24,540	24,188	-1,194	-842	-4.87	-3.48
30	23,328	24,540	24,188	-1,212	796	-4.96	3.29
31	23,960	24,540	24,188	-580	-228	-2.36	-0.94
32	23,068	24,540	24,188	-1,472	1,183	-6.00	4.86
33	23,495	24,540	24,188	-1,045	-693	-4.26	-2.87
34	25,101	24,540	24,188	561	393	2.29	1.62
35	24,076	24,540	24,188	-464	-112	-1.89	-0.46
36	23,259	24,540	24,188	-1,281	800	-5.22	3.25
37	25,128	24,540	24,188	588	940	2.40	3.89
38	23,720	24,540	24,188	-820	607	-3.34	2.51
39	24,975	24,540	24,188	435	787	1.77	3.25
40	25,239	24,540	24,188	699	1,031	2.85	4.31
41	25,217	24,540	24,188	677	1,029	2.76	4.25
42	25,230	24,540	24,188	690	1,022	2.81	4.24
43	25,373	24,540	24,188	833	1,185	3.39	4.90
44	23,314	24,540	24,188	-1,226	821	-5.00	3.37
45	24,334	24,540	24,188	-206	146	-0.84	0.60
46	23,330	24,540	24,188	-1,210	846	-4.93	3.50
47	25,340	24,540	24,188	800	1,152	3.26	4.76
48	24,330	24,540	24,188	-210	1,114	-0.86	4.61
49	24,738	24,540	24,188	198	550	0.81	2.27
50	24,498	24,540	24,188	-42	300	-0.17	1.28
51	24,023	24,540	24,188	-517	-165	-2.11	-0.68

Exhibit 34

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2401, HD 2, entitled: "A BILL FOR AN ACT PROPOSING AN AMENDMENT TO ARTICLE IV, SECTION 2, OF THE HAWAII STATE CONSTITUTION TO ADD A RESIDENCY REQUIREMENT FOR MEMBERS APPOINTED TO THE REAPPORTIONMENT COMMISSION," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Marumoto voting no.

At 10:39 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2789, HD 1  
 H.B. No. 2790, HD 1  
 H.B. No. 1754, HD 1  
 H.B. No. 1756, HD 1  
 H.B. No. 2251  
 H.B. No. 1755, HD 2  
 H.B. No. 2401, HD 2

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 776-12) recommending that H.B. No. 2007, HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2007, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Morikawa rose in opposition to the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Morikawa's written remarks are as follows:

"I feel that this bill would hurt our current education system, because it would limit the current flexibility our schools have in providing the best education possible for our *keiki*. Each individual school should be able to set forth its own independent bell schedule that will optimize its ability to provide the best possible education to the community. Additionally this legislation will interfere with our teachers' collective bargaining process as it has the potential to change the amount of instructional time a teacher is required to work. If changes were made to a teacher's instructional time, compensation would need to be provided under collective bargaining agreements. I feel it is unwise for the Legislature to interfere with the union process."

Representative Fontaine rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Wooley rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Johanson rose in support of the measure with reservations and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Johanson's written remarks are as follows:

"I rise in support with reservations on HB 2007, Relating to Instructional Time in Public Schools. I understand the desire to standardize instructional time across the State, but I do have reservations about the kind of standardization proposed in this bill because it does not take into account certain intra-school and inter-school dynamics. This bill may limit schools' flexibility and adversely impact the progress and achievements they are making.

"We have many successful schools across the State that are meeting AYP and continue to have positive educational developments; I am concerned that standardization might adversely impact these high-performing schools. I do think it is a worthy intent to try and ensure that students all across Hawaii have the same amount of instructional time, but I am unsure that this is the most ideal way to accomplish this end. For these reasons I support this measure with reservations."

Representative Ching rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ching's written remarks are as follows:

"Thank you, Mr. Speaker. I stand with reservations on H.B. 2007-Relating to Instructional Time. This bill requires the Department of Education to devise four bell schedules each for elementary, middle, and high schools, except for charter schools and public multi-track schools. It repeals the general requirement that all public schools except charter schools and multi-track public schools include one thousand eighty student instructional hours for the 2016-2018 school years.

"While H.B. 2007 seems to improve education in Hawaii, there are concerns that a standardized schedule would not allow for the necessary flexibility of schools and their specific needs or students. Thank you."

Representative C. Lee rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I'm rising with reservations. I appreciate the intent of the measure. I think there are just a couple concerns that just need to be worked out. Thank you."

Representative Nakashima rose in support of the measure with reservations and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Nakashima's written remarks are as follows:

"I am concerned that this attempt at micro-managing the public school system by the Legislature would have unintended effects on small rural communities where things such as bus schedules and the need to feed multiple grade levels at a single cafeteria must be considered. I do not see the reason why these schools would be required to request an exemption if the purpose of standardizing bell schedules is because of concerns regarding the great disparity in the amount of school instructional hours."

Representative Hashem rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Yamane rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Ward rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Marumoto rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Pine rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Takumi rose to speak in support of the measure, stating:

"Thank you, very much. In support. Mr. Speaker, this bill is part and parcel of this whole attempt to reform the educational system, and I think it also segues very nicely into what we did in 2010. For Members who were here in 2010, if you recall in 2009, the collective bargaining agreement among the stakeholders at that time resulted in 17 furlough days for our public school students, resulting in the shortest school year in the country. That item was bargained previously, as we all know. In 2010, during that Session, we passed a law that mandated 1080 instructional days that passed both the House and the Senate unanimously, because we believed, and I'm glad we believe, that as a matter of State policy there should be a minimum of instructional days for our students.

"This bill, Mr. Speaker, seeks to do the same. What the bill attempts to do is to say for every grade level, the Department shall develop 4 different bell schedules from which schools can select what best meets their needs. Again, waivers can be gotten if they appeal to the Board, but 4 different bell schedules. Why is this a problem, Mr. Speaker? It's a problem because

there are dozens and dozens of bell schedules in our current system and it has resulted in the following anomalies.

"At the high school level, Mr. Speaker, the lowest and the highest school in terms of instructional hours varies by as much as 6 hours per week, which is the equivalent of 7 weeks of extra time for those students in that are at the high end, or 7 weeks less at the low end. Similarly at the middle school, it's 4 hours or the equivalent of 5 weeks. And more important and more dramatically at the elementary school level, the difference is 9 hours. Let me repeat that. From the lowest, the fewest number of instructional hours in an elementary school in our State system, to the highest number of instructional hours, we're talking about seat time, classroom time. It is 9 hours, or the equivalent of 10 weeks.

"Now put yourself in the seat of that student, Mr. Speaker. Or the parent of that student. And you tell me, if a parent has a child in the school and that parent knew in that particular school, her child was getting 10 weeks fewer instructional time than the student down the road, what do you think the reaction of that parent would be? Now perhaps that student cannot speak for herself, but I daresay, Mr. Speaker, when that student does become aware of that fact that she is getting shortchanged on instructional hours, I suspect I know what that answer will be. Thank you, Mr. Speaker."

Representative Aquino rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Keith-Agaran rose in opposition to the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Keith-Agaran's written remarks are as follows:

"Honorable Speaker, I am opposed to this measure that has the Legislature interfering with what should be a decision by the Governor-appointed Board of Education and the Department of Education. The Legislature has no business mandating four "one-size-fits-all" bell schedules for elementary, middle, and high schools without taking into account the local circumstances that go into fashioning the bell schedules currently in effect in our public schools. For example, on Maui, elementary, middle and high schools have been built along the same roadways. Different bell schedules may be required simply to ensure that younger children can be transported safely to and from school.

"This bill also backtracks further on the commitment the Legislature made to make sure that Hawaii no longer has one of the shortest school years in the country by apparently repealing the general requirement that all public schools, except charter and multi-track public schools, include one thousand and eighty (1080) student instructional hours.

"A systemwide standardization of bell schedules is micromanaging the Department of Education regarding in-school operations and seems to be another instance of simply blaming teachers for dysfunctions within our education system. A top-down mandate from the Legislature does not allow for the unique needs of each school regarding enrollment size, and campus size, and local circumstances, and effectively substitutes the judgment of politicians for educators, parents and local officials.

"Further, I am leery of bills that appear to be simply aimed at leveraging one party or another on collective bargaining issues."

Representative Cullen rose and asked that the Clerk record a no vote for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2007, HD 1, entitled: "A BILL FOR AN ACT RELATING TO INSTRUCTIONAL TIME," passed Third Reading by a vote of 39 ayes to 12 noes, with Representatives Chang, Choy, Cullen, Hanohano, Har, Ichiyama, Kawakami, Keith-Agaran, McKelvey, Morikawa, Takai and Tokioka voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 780-12) recommending that H.B. No. 2816, HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2816, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Ching rose to disclose a potential conflict of interest, stating:

"Thank you, Mr. Speaker. I just wanted to request a possible conflict of interest. My child attends Le Jardin," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2816, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR LE JARDIN ACADEMY," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 781-12) recommending that H.B. No. 1683, as amended in HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1683, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Thielen rose to disclose a potential conflict of interest, stating:

"At first I'd like to ask for a potential conflict ruling. I have a grandson that could be affected by the elimination of junior kindergarten," and the Chair ruled, "no conflict."

Representative Thielen continued to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker, I'm voting against the bill, because we can't guarantee at this point that House Bill 2519 will ultimately pass both Bodies. If it does, then okay, provided that the task force develops the early learning solution so we don't have a gap where some of the children fall through that gap."

Representative Kawakami rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Morikawa rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Morikawa's written remarks are as follows:

"This bill eliminates the Junior Kindergarten Program from Hawaii's schools. I support this measure, but offer concerns over a demographic of children that will be displaced due to this legislation. Late born children, children who are born in the latter months of the year, that enter kindergarten without being benefited by a pre-kindergarten program will be developmentally behind their peers. It should be noted that the needs of these late born children need to be addressed when eliminating the Junior Kindergarten Program. Further, it would be pre-mature to eliminate this program if the other initiative of early childhood learning is not implemented."

Representative Marumoto rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Cullen rose in support of the measure with reservations and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Cullen's written remarks are as follows:

"Mr. Speaker, I vote with reservations on this measure because I believe that it would deprive *keiki* statewide of the opportunity to attend junior kindergarten for foundational and preliminary education."

Representative Ching rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Pine rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Hashem rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Awana rose in opposition to the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Awana's written remarks are as follows:

"Mr. Speaker, I stand in opposition. This measure, if passed, will eliminate Junior Kindergarten in our public school system. As a replacement an early learning council will be established and attached to the Department of Education for administrative purposes. Instead of creating another program within the DOE an alternative could be to provide the support needed to the existing program. Our *keiki* must not be compromised. Junior Kindergarten programs have proven successful in transitioning youth into kindergarten and then elementary school. Because funding sources come through various venues, early learning programs already exist in the Department of Health, Department of Human Services, as well as programs offered through many non-profit organizations in the area of early learning. For these reasons, I stand in opposition. Thank you, Mr. Speaker."

Representative Aquino rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Takai rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1683, HD 1, entitled: "A BILL FOR AN ACT RELATING TO JUNIOR KINDERGARTEN," passed Third Reading by a vote of 47 ayes to 4 noes, with Representatives Awana, Hanohano, Souki and Thielen voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 782-12) recommending that H.B. No. 2106, as amended in HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2106, HD 1, entitled: "A BILL FOR AN ACT RELATING TO STUDENT ACTIVITY FUNDS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 783-12) recommending that H.B. No. 2527, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2527, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Souki rose to speak in opposition to the measure, stating:

"Mr. Speaker, I would like to speak in opposition because I believe a measure like this should be done through collective bargaining and not through legislation. I would probably not be too opposed to this bill if it came from the Board of Education. But it seems that the Board of Education is relying on the Legislature, again, to do its work. Until they can begin to take a more positive role in initiating legislation and recommendations to this Body, I will be continually opposing bills like this.

"I opposed the bill last Session when we had the vote, the constitutional change providing that the Governor will appoint rather than having duly elected representatives. I believe to some extent my prediction is coming true. I would hope not, but it is. Again, the Legislature is doing the kind of work that they should be doing, or the one on the 5th Floor.

"So Members, because of this and because I think it should be a collective bargaining item, and because the Board has not been taking an active role in the kind of legislation they want, I will continue to vote against measures like this. Thank you, very much."

Representative Morikawa rose in opposition to the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Morikawa's written remarks are as follows:

"While I agree we need to manage the performance of our educators, I feel that this bill improperly addresses this need. Performance management, under this bill, will affect compensation, employment, and "merit pay" and should be addressed under the collective bargaining process and not legislated. Our educators need to be represented when creating an evaluation program that measures their success in the classroom. This is why we have the collective bargaining process between our teachers and the State. If we are to properly gauge the effectiveness of our educators and to create incentives for exceptional work, this must be done through coordination between the educators and the State and not through legislation such as this."

Representative Johanson rose in support of the measure with reservations and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Johanson's written remarks are as follows:

"I rise with reservations on HB 2527, Relating to Teacher Evaluations. While I do support the principle and concept of teacher evaluations for support and development purposes, as I know that most educators desire and appreciate some form of constructive feedback, I am concerned that the procedures for teacher evaluations set forth in this measure may not be successfully implemented. The Department of Education has experienced considerable challenges in implementing the current teacher and principal evaluations. I also have concerns on how fair and accurate the evaluations will be. The evaluation procedures should be arrived at through the collective bargaining process rather than instituted in statute.

"Again, this measure is underpinned by a worthy intent and good principles, but the details of implementations give me considerable pause. While I do not wish to jeopardize our Race to the Top funding, I also want to avoid implementing a non-pragmatic solution for a one-time financial gain. For these reasons I am voting with reservations on this measure."

Representative Nakashima rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. In opposition. I am concerned because the underlying law here, that this legislation is based on what has been passed by the Legislature many years ago, and has to this date, not yet been implemented. To add additional requirements to this legislation so that the Department can continue to ignore the public policy set by the Legislature, I don't believe, is prudent. If we are going to help to resolve this problem, perhaps we have to be more prescriptive than to just allow additional things to be hung on this legislation. May I have permission to add additional comments?"

Representative Nakashima's written remarks are as follows:

"It is not a question of collective bargaining, but rather a question of accountability. There is no working system for accountability in State government for the policies set forth by the Legislature. As we quickly approach the tenth anniversary of Act 51 (2004), principals have realized the benefit of increased salaries—in some cases exceeding those of the

State Superintendent—but are yet to be held to any form of accountability or standard of performance to justify their generous salaries.

"We celebrate the fictional achievement of yearly progress however we do not know if our children are truly better prepared for the new challenges and needs of a changing society. Our school system blindly puts inordinate emphasis on math and English at the expense of creativity and the arts. The public school system gives great emphasis on passing a test which is a high stakes game for everyone except the student. This is not a comparison of student progress, but rather a measure of how students in a particular grade improve over time. There is no incentive or real consequence to the student for doing well in this instrument and none of these addresses the fact that a leading indicator of student success is socio-economic status.

"If the Legislature truly wants to address school performance, then we have the opportunity to take this legislation a step further and prescribe the standard of expectations and performance that we expect from our employees."

Representative Luke rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I also rise with reservations. The issue of tenure is currently an item that is under collective bargaining and it should remain as a collective bargaining portion. Thank you."

Representative Keith-Agaran rose in opposition to the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Keith-Agaran's written remarks are as follows:

"Mr. Speaker, I oppose HB 2527 HD2 which has the Legislature encroaching into a collective bargaining matter and is another bill that has this Legislature apparently siding with the present Governor and his appointed Board of Education against Hawaii's teachers in their ongoing contract dispute. I support improving public education and making sure that our children have the best possible opportunity to get a quality education. I do not support simply hammering Hawaii's educators in the midst of a collective bargaining dispute.

"The bill supposedly improves the public education system by having the Department of Education establish a performance management program, and having newly hired teachers of the Department serve a minimum three year probationary period.

"The voters of this State decided two years ago to make the Board of Education into an appointed board. While now appointed, the BOE remains the policy maker for Hawaii's public educational system and the Legislature should be cautious in interfering in policy areas that should be the BOE's *kuleana*. I am also concerned that a State mandated performance evaluation will do little to promote effective teaching and better learning without the State also including complementary professional development programs for our teachers, classroom support, and adequate funding.

"Additionally, to have new teachers serve a three year probationary period—as opposed to the present two years in the present teachers contract—prior to obtaining tenure certainly should be addressed as part of the ongoing collective bargaining negotiations.

"The handling of this proposal has been short-sighted for two reasons. This bill, as original proposed, feeds the insecurity and deep resentment that local teachers are feeling about the current Administration, the Board of Education, the DOE and could lead to concerns about whether the Legislature also thinks of teachers as just convenient whipping boys and girls. Ultimately, devaluing Hawaii's teaching force will end up harming Hawaii's children.

"I hope that this measure does not have broader effect of undermining workers' rights. I am concerned that undermining the job security, working conditions, and wages of one group of workers, makes it easier

for employers—including public employers—to undermine them for all workers. This is why, during the Depression, many unemployed people organized in support of workers on strike. Workers then believed in the concept of solidarity — the idea that working people could only progress if they did so together, and if one group of workers improved their conditions, it would ultimately improve conditions for all.

"For these reasons and concerns, I am casting a NO vote on this measure."

Representative McKelvey rose in opposition to the measure and asked that the remarks of Representatives Nakashima and Souki be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Takumi rose to speak in support of the measure, stating:

"Thank you very much, Mr. Speaker. In support. Let me just remind some of our colleagues that talk about whether or not this should be bargaining or not, I think we all know the whole issue of teacher evaluation has been in statute, Mr. Speaker, for several decades. So this is something that just expands upon that statute.

"Secondly the whole issue of tenure. Tenure was in law until 2008. So for those who say that should be bargained, I don't recall anyone introducing a bill prior to 2008 repealing the law saying that should be a bargainable item. And by the way, Mr. Speaker. When it did become a negotiable item, tenure went from two years to one year. There are very, very few states that have a one-year tenure. In fact, I don't know of any. The vast majority of states have teachers on probation anywhere from three to six years before they get tenure. This bill would put that tenure provision back into law and increase the probationary period from two to three years.

"I think it's also safe to say it's a work in progress. If you look at the current collective bargaining process that's ongoing between the teacher's union and the Administration, it's still currently in limbo. And whether or not this legislation will be necessary by the end of Session remains to be seen. I'm going to be hopeful that the parties will get back to the bargaining table in good faith and iron some of these issues out.

"But let me just say one more point about what should we bargain and not. When we passed out Act 51 in 2004, for those of us who remember that time, we put into statute that there should be School Community Councils. If you recall, School Community Based Management Teams were a bargainable item. That a certain number of teachers at every given school, two-thirds, had to agree whether or not to have an SCBM at their school. The law was passed 10 years later, and 10% of our schools had no SCBM, because they could not reach that threshold of teachers to agree to an SCBM. Again as a matter of public policy, we decided in this Body, that every school ought to have a community based volunteer board to determine some of the academic and fiscal destiny of each school. That was put in to law. The teachers' union, at that time opposed that, saying that should be a bargainable item.

"And my last point. A small point, but a significant one. We have taken items that were bargained in the past, and put them into law. And taken items that were in statute and put it onto the bargaining table. Let me give you one example. National Board Certified Teachers, Mr. Speaker. National Board Certified Teachers in our State get a \$5,000 bonus. That was negotiated in the past. In 2004 we decided that issue is so important, that certification is so valuable that it should be a matter of law. And it currently is in law, that every teacher who achieves that certification, deserves, and rightfully so, that \$5,000 bonus. The union at that time, or any of our colleagues, has not objected to taking that from a previously negotiated item and putting into law. Thank you, Mr. Speaker."

Representative Cabanilla rose to speak in support of the measure, stating:

"I'm standing in support, Mr. Speaker. This bill attempts to pay teachers according to performance. I think in the private sector, as well as in the corporate world, those people are paid according to performance. I welcome bills such as this, because the way we are with our school



students' performance, we ought to try other means to improve that. I think paying teachers on performance pay is something that should be discussed and it should be voted on. Thank you, Mr. Speaker."

Representative Awana rose in support of the measure with reservations and asked that the remarks of Representative Nakashima be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2527, HD 2, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Third Reading by a vote of 34 ayes to 17 noes, with Representatives Aquino, Carroll, Choy, Cullen, Hanohano, Kawakami, Keith-Agaran, C. Lee, McKelvey, Morikawa, Nakashima, Nishimoto, Saiki, Souki, Takai, Wooley and Yamane voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 784-12) recommending that H.B. No. 2143, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2143, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC HOUSING," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 785-12) recommending that H.B. No. 755, HD 2, as amended in HD 3, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 755, HD 3, pass Third Reading, seconded by Representative Evans.

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 755, HD 3, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC HOUSING," passed Third Reading by a vote of 51 ayes.

At 10:59 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2007, HD 1  
H.B. No. 2816, HD 1  
H.B. No. 1683, HD 1  
H.B. No. 2106, HD 1  
H.B. No. 2527, HD 2  
H.B. No. 2143  
H.B. No. 755, HD 3

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 786-12) recommending that H.B. No. 1398, as amended in HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1398, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Rhoads rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Marumoto rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, likewise, I have reservations. I'm not quite convinced that a blanket exemption is called for, for the procurement process. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1398, HD 1, entitled: "A BILL

FOR AN ACT RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY," passed Third Reading by a vote of 49 ayes to 1 no, with Representative Hanohano voting no, and with Representative Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 787-12) recommending that H.B. No. 2302, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2302, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Takai rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Kawakami rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Morikawa rose in opposition to the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Morikawa's written remarks are as follows:

"I do not agree with exempting from civil service, employees who are hired to repair and maintain vacant housing units, and employees who are hired to perform planning, design, engineering or processing work for State or county capital improvement projects. I strongly support the renovation of public housing, but question why recruitment for these positions is unsuccessful. I am very familiar with the recruitment process and know that it is a fair and honest process and with the recent computerization, is a lot faster. Further, I question if the employer has provided adequate justification to exempt the types of employment that have customarily and historically been performed by civil service employees.

"The Hawaii Government Employees Association (HGEA) submitted testimony that I agree with and it reads, "As written, this legislation is in stark and direct contrast to the intent of Act 253, SLH 2000, and Act 300, SLH 2006, which require the Director of the Department of Human Resources Development to review exempt positions and determine whether the positions should remain exempt permanently or convert the position to civil service. It also usurps the result of S.B. 1090, introduced in the 2011 Session, in which the Employer and the Union mutually agreed to collaboratively identify and facilitate conversion of exempt positions throughout the executive branch." If an exempt position is converted to a permanent position, that position wasn't recruited through the civil service process and thereby that employee may not have met the requirements to be a permanent employee. At the County level, I have hired people with the same computer program as the State, so I know how fast you can get people hired."

Representative Aquino rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2302, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CAPITAL IMPROVEMENT PROJECTS," passed Third Reading by a vote of 41 ayes to 9 noes, with Representatives Belatti, Hanohano, C. Lee, Luke, Morikawa, Rhoads, Saiki, Takumi and Wooley voting no, and with Representative Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 789-12) recommending that H.B. No. 2819, HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2819, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Brower rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2819, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY," passed Third Reading by a vote of 50 ayes, with Representative Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 790-12) recommending that H.B. No. 1972, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1972, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HISTORIC PRESERVATION," passed Third Reading by a vote of 50 ayes, with Representative Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 791-12) recommending that H.B. No. 2339, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2339, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Belatti rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2339, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY," passed Third Reading by a vote of 50 ayes, with Representative Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 793-12) recommending that H.B. No. 2345, HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2345, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Ching rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I'm standing in strong support of HB 2345, HD 1, the issuance of a Special Purpose Revenue Bonds to assist the St. Francis Healthcare System. St. Francis has been healing the people of Hawaii since 1883. It's a way for them to know that we have not forgotten what they've done. We're sad about the loss of HMC, and we're hoping though that we can explore measures that we can still be in service to the people Hawaii. Additional written comments. Thank you."

Representative Ching's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in strong support of HB 2345 HD1, Relating to the Issuance of Special Purpose Revenue Bonds to Assist St. Francis Healthcare System of Hawaii."

"Mr. Speaker, I would first like to say thank you to all of my colleagues who are making it possible to issue these special purpose revenue bonds for St. Francis Healthcare System. This bill will assist St. Francis Healthcare System of Hawaii to finance the construction, improvement, and equipment of its healthcare facilities."

"As we've all seen recently, the healthcare system in Hawaii is struggling. When this particular industry struggles, people can lose their lives. That's why HB 2345 HD1 is so important; not only the people of this state, but to institutions like the St. Francis Healthcare System of Hawaii."

"Since 1883 St. Francis has been healing the people of Hawaii. By helping St. Francis reinvest in their operations, we can show that we are taking action to improve the quality and access of their healthcare."

"Healthy communities are strong communities, Mr. Speaker. That's the ultimate goal in aiding the healthcare community to create a stronger, healthier community for us all. These special purpose revenue bonds will reinforce Hawaii's commitment to St. Francis, and all that they do. In return, St. Francis will explore various options to keep this facility open and serving the people of my community and our State."

"For these reasons, Mr. Speaker, I am happy to stand in strong support of HB 2345 HD1. Mr. Speaker, thank you for this opportunity to share my thoughts on this bill."

Representative Pine rose in support of the measure and asked that her written remarks and the remarks of Representative Ching be entered into the Journal as her own, and the Chair "so ordered."

Representative Pine's written remarks are as follows:

"I strongly support HB2345 HD1 Relating to the Issuance of Special Purpose Revenue Bonds to Assist St. Francis Healthcare System of Hawaii for the following reasons:

"The bill will authorize the issuance of special purpose revenue bonds to assist St. Francis Healthcare System of Hawaii to finance the construction, improvement, and equipment of its healthcare facilities. This is a very important way for the State to shore up the healthcare system in the wake of the HMC closings."

"St. Francis Healthcare Systems of Hawaii operates: St. Francis Hospice, St. Francis Home Care, Franciscan Adult Day Care, St. Francis Health Services for Seniors and other services. Due to the bankruptcy and closure of HMC, the hospital assets will eventually be returned to St. Francis Healthcare System. This bill would help them make upgrades to the former HMC sites. The loss of HMC East and West has left a very damaging service gap in our State, and as a matter of public concern, these special purpose revenue bonds should be issued to provide for public well-being."

"One of the upgrades that St. Francis wishes to make is to convert part of the East campus into a sophisticated long-term care center. This is very important, as acute care beds are currently being used for long-term care patients, which is not the appropriate level of care for a number of our ailing residents. This has caused not only a shortage of acute care beds, but an even more complex problem for long-term care patients. Those who need long-term care, but are relegated to acute-care facilities due to the shortage face a number of new challenges. Often times, their recovery may be delayed, because they do not have access to the rehabilitative services that goes along with long-term care."

"St. Francis has supported the health of Hawaii's people for over one hundred years, and HB2345 HD1 recognizes that service, by allowing St. Francis to continue serving our people. This measure will ensure that the former HMC facilities get much-needed upgrades for the health and well-being of our community."

"For all of these reasons, I strongly support HB 2345 HD1, Relating to the Issuance of Special Purpose Revenue Bonds to Assist St. Francis Healthcare System of Hawaii."

Representative Cabanilla rose to speak in support of the measure, stating:

"In strong support, Mr. Speaker. I'm speaking on behalf of the people of Leeward Coast. We do need a hospital in our community and this is one of the three tools that we're expecting to pass so we can have that hospital. Thank you, Mr. Speaker."

Representative Takai rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker, I rise in support with reservations. Thank you. I do agree with the previous speakers and I do support all efforts to reopen St. Francis West or HMC West. The hospital that has recently closed is impacting all of us. In fact, if you take a look at the census for all of the emergency rooms across the island, you'll see a noticeable increase. In fact, Pali Momi, which is in our community, typically has 40 people waiting in the emergency room. So we're at a crisis stage, because of the lack of adequate emergency rooms and beds, for especially the Leeward and Central Oahu areas.

"My concern though is that I do believe that this bill is going to interfere with the chances and opportunities of reopening that facility. We all appreciate what the sisters of St. Francis have done over the years. That's not in question. What is in question though is whether they can reopen this facility and run it. I believe that they should look at other opportunities. Maybe Queen's Medical Center. Maybe Hawaii Pacific Health. Maybe other entities that have run medical facilities and emergency rooms successfully. You put this bill in front of the equation, and everything gets confusing. You give hope where there is no hope. And I would submit to all of you that we need to be very careful in this area, and consider the fact that something like this is possibly affecting the potential reopening of HMC West. That's the reason for my reservations. Thank you, Mr. Speaker."

Representative Pine rose to speak in support of the measure, stating:

"Yes, I do want to thank the previous speaker for his concerns, because that was my concern as well when we reviewed this option. As the Representative from Ewa, Waipahu, did mention, this is one of three bills that we are considering to save our hospitals. The reason I'm supporting this when I normally probably wouldn't is because I know for sure that it isn't the intention of the eventual owners of this property once the bankruptcy is over to partner with another entity to take this hospital over.

"We right now, are just using this as a resource to make all attempts possible as leaders in the State of Hawaii to ensure we avoid a potential crisis. As we've seen in trying to ensure that these hospitals do stay open, we have seen some complications with that, and that is why the hospitals closed. This option gives us the ability, if all else fails, that we would avoid a crisis and have access to this money. Access that, of course our Governor will have the ability to oversee. So, while I understand the deep concerns of some members of the community, please know that it is majority commitment from the sisters of St. Francis, who cannot speak publicly, but I know that it is their private intent to ensure that they partner with another hospital that is already successful."

Representative Morikawa rose in support of the measure with reservations and asked that the remarks of Representative Takai be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Belatti rose in support of the measure with reservations and asked that the remarks of Representative Takai be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

At 11:07 o'clock a.m., Representative Souki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:11 o'clock a.m., with Speaker Say presiding.

Representative Yamane rose to speak in support of the measure, stating:

"Mr. Speaker, I'm standing in support. With all this discussion on a Special Purpose Revenue Bond bill, I feel compelled to stand in support. Members, I did want to highlight that we are currently looking at a number of measures moving forward to support the potential structure of HMS West and East. Mr. Speaker, we're requesting the indulgence of this Legislature and this Body, to keep this Special Purpose Revenue Bond

assistance to help the sisters with all their assets. Mr. Speaker, this \$80 million is not only to look at those two facilities, but my understanding is that St. Francis has nine facilities including long-term care which this measure would also support.

"I understand that it has caused some discussion regarding both those interested in purchasing one or both sites, as well as it has caused some discussion in regards to the current bankruptcy situation. However, Members, we need a measure like this to be moving forward, so that way when a decision is made by the courts, when the sisters of St. Francis decide to use those assets, and when an entity, hopefully a positive entity comes into play, we have the vehicles available to assist that, to reopen any facility as quickly as possible.

"Members, this is a Special Purpose Revenue Bond bill again, so this process in which if the sisters wanted to move forward, they would be able to prove to the State the ability to repay the loan. Thank you, Mr. Speaker."

Representative Cabanilla rose to respond, stating:

"Thank you, Mr. Speaker. As the introducer of the bill, I just would like to appease some of the concerns that were raised here. I did do the due diligence in checking with the other two entities that are interested in purchasing the West campus. They have indicated prior to introduction that this is not a measure that would hinder either way. But I support this because we need all the measures that are possible so we can serve that part of our community which right now is lacking a hospital base and an emergency facility. Thank you Members and thank you, Mr. Speaker."

Representative Awana rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I'm standing in strong support, and I ask that I be allowed to adopt the words from the Representative of Mililani, and also ask that I be allowed to include additional written comments. Thank you."

Representative Awana's written remarks are as follows:

"Mr. Speaker I stand in support and ask that the words from the Representative from Mililani be entered into the Journal as if it were my own. I have some additional comments. This may be one of the most important measures passed this Session. The Leeward Coast is without adequate healthcare. This bill will help the St. Francis Healthcare System to provide the services which are imperative to the health and welfare of tens of thousands. Our office received numerous phone calls from constituents concerned about emergency situations where the closest hospital would be at least an hour away. Additionally, dialysis services are in short supply and with the closure of this facility, either longer waiting periods or longer drives now take place. For these reasons I stand in strong support. Thank you, Mr. Speaker."

Representative Ching rose to disclose a potential conflict of interest, stating:

"Mr. Speaker, I would like to, as I have always done in the past, ask for a possible conflict of interest. My husband and I did invest in HMC," and the Chair ruled, "no conflict."

Representative Ching continued to speak in support of the measure, stating:

"Thank you, Mr. Speaker. With that, I am still in strong support, and I am asking that the words of the Chair of Health, the Representative of Mililani be entered as my own, with additional written comments."

Representative Ching's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in strong support of HB 2345 HD1, Relating to the Issuance of Special Purpose Revenue Bonds to Assist St. Francis Healthcare System of Hawaii.

"Mr. Speaker, I would first like to say thank you to all of my colleagues who are making it possible to issue these special purpose revenue bonds for St. Francis Healthcare System. This bill will assist St. Francis Healthcare System of Hawaii to finance the construction, improvement, and equipment of its healthcare facilities.

"As we've all seen recently, the healthcare system in Hawaii is struggling. When this particular industry struggles, people can lose their lives. That's why HB 2345 HD1 is so important; not only the people of this State, but to institutions like the St. Francis Healthcare System of Hawaii.

"Since 1883 St. Francis has been healing the people of Hawaii. By helping St. Francis reinvest in their operations, we can show that we are taking action to improve the quality and access of their healthcare.

"Healthy communities are strong communities, Mr. Speaker. That's the ultimate goal in aiding the healthcare community to create a stronger, healthier community for us all. These special purpose revenue bonds will reinforce Hawaii's commitment to St. Francis, and all that they do. In return, St. Francis will explore various options to keep this facility open and serving the people of my community and our State.

"For these reasons, Mr. Speaker, I am happy to stand in strong support of HB 2345 HD1. Mr. Speaker, thank you for this opportunity to share my thoughts on this bill."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2345, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST ST. FRANCIS HEALTHCARE SYSTEM OF HAWAII," passed Third Reading by a vote of 50 ayes, with Representative Manahan being excused.

At 11:16 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 1398, HD 1  
 H.B. No. 2302, HD 2  
 H.B. No. 2819, HD 1  
 H.B. No. 1972, HD 2  
 H.B. No. 2339, HD 2  
 H.B. No. 2345, HD 1

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 794-12) recommending that H.B. No. 1952, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1952, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Ching rose to speak in support of the measure, stating:

"In strong support. I realize I spoke on this in a previous Floor debate, so I will insert written comments."

Representative Ching's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in strong support of H.B. 1952 HD2, Relating to Bone Marrow Transplants.

"Mr. Speaker, first let me stress, in medical terms, how imperative this appropriation is. The recent loss of Hawaii's only bone marrow transplant center has caused great distress to many in our State, forcing many people to seek treatment in other states, subsequently causing serious financial and emotional burdens on patients and family members.

"I firmly believe that this is a responsible measure because it uses matching private funds, ensuring that the State is not alone in footing the bill for this very important investment. By pairing this appropriation with matching private funds as a grant for Hawaii Pacific Health to establish the new center, we are utilizing a responsible formula for the betterment of the

whole community. Hawaii Pacific Health believes that the center may ultimately be self-sufficient, but without this appropriation, they will not be able to manage the start-up costs alone.

"I call this measure an investment because it is not merely a one-way appropriation without a tangible return. This is an investment in the people of Hawaii and their health. It is an investment in the future of Hawaii as a modern health-care community. Through this bill, we are insuring that our people will continue to enjoy the vital health-care treatment enjoyed by people all over the country.

"This is a measure that will save lives and improve our communities. Our passage of H.B. 1952 HD2 will stand as proof of the House's firm commitment to promoting a compassionate and responsible government. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1952, HD 2, entitled: "A BILL FOR AN ACT RELATING TO BONE MARROW TRANSPLANTS," passed Third Reading by a vote of 50 ayes, with Representative Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 795-12) recommending that H.B. No. 1953, as amended in HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1953, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Pine rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Pine's written remarks are as follows:

"I strongly support HB1953 HD1 Relating to Emergency Medical Care for the following reasons:

"The bill appropriates funds to:

- Increase the on-call availability of emergency medical services and ambulance services on Leeward Oahu; and
- Assist Wahiawa General Hospital in providing additional emergency room services.

"The closing of HMC East and HMC West caused the loss of two important emergency rooms on Oahu. Especially dangerous is the loss of an emergency room in Ewa Beach. This closure now means that the community of Ewa Beach is quite far from the nearest operational emergency room. That added travel time could cost lives in our community.

"As a Representative from Ewa Beach, I have a personal understanding of how this gap in services is affecting our community. When urgent care is needed, and there are no services available due to lack of facilities or lack of manpower, the public wonders who is responsible for that failure. That is why this bill is so very important. By increasing the on-call availability of EMS and ambulance services in Leeward Oahu, the legislature can help to make emergency care more accessible to the people in my district.

"Wahiawa General Hospital is the nearest medical center that *could* have the capacity to deal with the additional patients due to the HMC closures. However, Wahiawa General Hospital will need significant funds in order to upgrade their facilities if they are to provide additional emergency room services.

"There was a tremendous outpouring of support for this bill in hearing testimony. The medical community and the public have stated that this appropriation is needed if we are to provide access to reasonable healthcare to those affected by the HMC closure. Access to urgent care is one of the most important aspects of healthcare services because it touches

so many people in the community. HB1953 HD1 would ensure that we protect those urgent care services, and make them accessible to the public.

"For all of these reasons, I strongly support HB1953 HD1, Relating to Emergency Medical Care."

Representative Cabanilla rose to speak in support of the measure, stating:

"Mr. Speaker, in favor and in support. I just would like to thank the Chair of Finance and the Chair of Health for yielding to the needs of the people of Central and Leeward Oahu. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1953, HD 1, entitled: "A BILL FOR AN ACT RELATING TO EMERGENCY MEDICAL CARE," passed Third Reading by a vote of 50 ayes, with Representative Manahan being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 797-12) recommending that H.B. No. 2175, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2175, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2175, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ETHICS," passed Third Reading by a vote of 49 ayes to 1 no, with Representative Thielen voting no, and with Representative Manahan being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 798-12) recommending that H.B. No. 2313, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2313, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Fontaine rose to speak in support of the measure, stating:

"Yes, Mr. Speaker, standing in strong support with a few comments. I wanted to share a story that I shared with the members of my Committee about an incident that I was involved in as a young officer in a Lahaina Patrol Division.

"I pulled over a suspected drunk driver in Olowalu at about 1 o'clock in the morning, approached the vehicle and subsequently, the driver became belligerent. And as I walked back to my patrol car, he jumped me from behind. A struggle ensued for about 10 minutes where this individual was trying to take my firearm away from me and shoot me. My backup was about 10 miles away, so this went on for quite some time. I think it was one of the most fearful times in my life, and definitely in my police career, where I actually thought I was going to die. That's why I'm in such strong support of this, because we need to protect our law enforcement officers.

"I know that there were some concerns raised about how this particular law could be abused by officers charging felonies, but we need to have this tool, because once an officer's weapon is taken away, it's usually used against him, and we need to protect our law enforcement officers. Thank you, Mr. Speaker."

Representative Cabanilla rose to speak in opposition to the measure, stating:

"I'm standing in opposition, Mr. Speaker. We all perceive that increasing the penalty on crimes will act as a deterrent. That has not been proven to be true, Mr. Speaker. This measure asks that the penalty be increased to a

C felony. I'm siding with the Public Defender in this case, Mr. Speaker, because they say that the only people that would do such a thing would be people that are mentally ill, drunk or having traumatic stress disorder. And if those are the kinds of people that would do such thing, then we don't need the bill, because the charge would not stand.

"Also, I'm in opposition because it's one of those things where there is no balance. In a situation like this, it's the police officer that prevails, and never the person being arrested. Thank you, Mr. Speaker."

Representative Ching rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker, in strong support, and I ask that the words of the Representative of Wailea, Kihei be entered as my own. In short, our officers put their lives on the line for us, and I do believe in protecting those who protect us. Thank you."

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2313, HD 2, entitled: "A BILL FOR AN ACT RELATING TO RESISTING ARREST," passed Third Reading by a vote of 49 ayes to 1 no, with Representative Cabanilla voting no, and with Representative Manahan being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 799-12) recommending that H.B. No. 1666, as amended in HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1666, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PENAL CODE," passed Third Reading by a vote of 50 ayes, with Representative Manahan being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 802-12) recommending that H.B. No. 2309, as amended in HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2309, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Keith-Agaran rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. In support of HB2309 HD1 which will protect personal information in balance with maintaining reasonable access to this information by businesses. Identity theft is a serious problem. A common source of identity theft is information contained in an individual's certificate of identification or driver's license. This bill weighs an individual's right to maintain the individual's private personal information with a business' need to legally use information regarding that identification.

"This bill prohibits businesses from scanning an individual's identification or license except in six circumstances. A business may use this information: 1) when the individual pays for goods with something other than cash; 2) to verify the individual's age when providing age-restricted goods; 3) to prevent fraud or criminal activity; 4) to establish or maintain a contract between the business and individual; 5) to retain information as required by law; and 6) to transmit information to a consumer reporting agency, financial institution, or debt collector for certain purposes.

"This bill is a work-in-progress and most of the parties concerned with this measure have pledged to continue discussions about the appropriate balance of interests. At the present time, these parties have agreed to the current form of this amended bill. As this bill progresses, these parties will

attempt to address outstanding issues, but the present language serves as a framework for this important conversation regarding personal privacy, fraud protection and business efficiency."

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2309, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PERSONAL INFORMATION," passed Third Reading by a vote of 50 ayes, with Representative Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 806-12) recommending that H.B. No. 2183, as amended in HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2183, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2183, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CONVENTION CENTER," passed Third Reading by a vote of 50 ayes, with Representative Manahan being excused.

At 11:23 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 1952, HD 2  
 H.B. No. 1953, HD 1  
 H.B. No. 2175, HD 2  
 H.B. No. 2313, HD 2  
 H.B. No. 1666, HD 1  
 H.B. No. 2309, HD 1  
 H.B. No. 2183, HD 1

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 809-12) recommending that H.B. No. 2099, HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2099, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Marumoto rose to speak in opposition to the measure, stating:

"Mr. Speaker, I am going to oppose this bill. All it does is award attorneys' fees and I have a problem of putting attorneys' fees in statute. But the Committee Report says the purpose is to improve the efficiency of the workers' compensation system by allowing attorneys' fees to be included in costs that may be assessed against the party who brings, prosecutes or defends the workers' compensation claim without reasonable grounds. I don't think it improves the efficiency so I am voting no."

Representative Fontaine rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Ching rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2099, HD 1, entitled: "A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION," passed Third Reading by a vote of 48 ayes to 2 noes, with Representatives Cabanilla and Marumoto voting no, and with Representative Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 815-12) recommending that H.B. No. 2575, HD 2, as amended in HD 3, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2575, HD 3, pass Third Reading, seconded by Representative Evans.

Representative Ching rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Marumoto rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2575, HD 3, entitled: "A BILL FOR AN ACT RELATING TO THE BOILER AND ELEVATOR SAFETY LAW," passed Third Reading by a vote of 50 ayes, with Representative Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 817-12) recommending that H.B. No. 2655, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2655, HD 2, entitled: "A BILL FOR AN ACT RELATING TO LABOR," passed Third Reading by a vote of 50 ayes, with Representative Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 818-12) recommending that H.B. No. 2766, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2766, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Fontaine rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Ching rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Marumoto rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2766, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC WORKS," passed Third Reading by a vote of 50 ayes, with Representative Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 820-12) recommending that H.B. No. 1967, HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1967, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Keith-Agaran rose to disclose a potential conflict of interest, stating:

"Yes, Mr. Speaker. I'd like a ruling on a possible conflict. My firm does handle medical claims. Thank you," and the Chair ruled, "no conflict."

Representative Ching rose to disclose a potential conflict of interest, stating:

"Thank you, Mr. Speaker. I'd like to also ask for a potential conflict. My husband is a provider; he's a doctor. Thank you," and the Chair ruled, "no conflict."

Representative Belatti rose to disclose a potential conflict of interest, stating:

"May I have a ruling on a potential conflict? My law firm also is involved in claims," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1967, HD 2, entitled: "A BILL FOR AN ACT RELATING TO MEDICAL CLAIM CONCILIATION," passed Third Reading by a vote of 50 ayes, with Representative Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 822-12) recommending that H.B. No. 2227, HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2227, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Ching rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ching's written remarks are as follows:

"Thank you, Mr. Speaker. I stand with reservations on H.B. 2227-Relating to Birth Certificates. This bill provides amended birth certificates for persons who have undergone a gender transition.

"H.B. 2227 may make for an easier, more expeditious process in obtaining a new, corrected birth certificate. Notwithstanding, this bill does not accurately differentiate "sex" and "gender" which are not interchangeable terms from a legal standpoint. Birth certificates document the birth event and characteristics that are present at that time.

"Additionally, the language in this bill could foster dishonesty in that it can take away the true inherent makeup of an individual at birth. Furthermore, in our post 9/11 world, H.B. 2227 could facilitate disguised identities and should be properly investigated for security and safety concerns. Thank you."

Representative Ward rose to speak in opposition to the measure, stating:

"Mr. Speaker, in opposition, reflecting the Department of Health that said this is a little bit too complex without further study. And a note from a doctor is still not sufficient."

Representative Cullen rose in opposition to the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Cullen's written remarks are as follows:

"Mr. Speaker, I oppose this measure because not only is the birth certificate a documentation of a person's birth, but it is also a documentation that is used for acquiring other personal documentation like the State photo identification, drivers license, and passport. I believe that lowering the requirements to allow the changing of gender on a birth certificate would be a safety issue that could possibly be a threat to the public because a person-of-interest – i.e., felon – may also be able to change their identity in a minimized manner. The State Department of Health already has a process in place to address the change in the document. I agree with the DOH in which we need to change to a judicial process and apply it to changes made to the birth certificate as in Section 338-17.7 of current statute. Because of these reasons, I cannot support the measure."

Representative Fontaine rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative M. Lee rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative M. Lee's written remarks are as follows:

"Mr. Speaker, I rise in strong support of House Bill 2227, HD1 – Relating to Birth Certificates, which would amend HRS 338-17.7 by allowing for the establishment of new birth certificates for transgender individuals. To reject this bill is to disenfranchise individuals of the transgender community, and deny them the basic civil rights that ought to be accessible to all.

"Transgender people frequently endure harassment in situations when they are asked to present identification. Nationally, individuals who showed ID in their daily life that did not match their gender presentation, 40% reported being harassed, 3% reported being assaulted, and 15% reported being denied entry or asked to leave. Transgender women and men are immediately made vulnerable to discrimination by employers, law enforcement, TSA agents, and many others as a result of the fact that their ID (a reflection of their birth certificate) does not match their gender identity.

"Mental and emotional wellness is closely tied to the awareness and acceptance of one's sexual identity. Many of us are fortunate enough to be born into a gender with which we identify, but there are individuals who, from a very young age, feel dissonance between their physical gender and their innate sexuality. This feeling of anxiety and isolation remains for much of their lives. This bill will enable transgendered individuals to conform comfortably to their sexual identity, and live with pride instead of shame.

"Requiring a transgender individual to alter their physical gender through reassignment surgery is a cruel and unconstitutional means of "addressing" the problem. The majority of transgender people do not choose to undergo sex reassignment for a variety of reasons.

"First, the surgery poses a huge financial burden, and many individuals save their whole lives to pay for such a procedure. The cost for a male-to-female procedure can exceed \$50,000. Needless to say, individuals do not receive any kind of coverage for gender reassignment. Recovery time is lengthy and not everyone can afford the time off from work. Second, as with all surgical procedures, there is some degree of medical risk involved and not every individual is a suitably healthy candidate for gender reassignment. Transgender individuals may instead choose a course of hormone therapy to aid them in assuming their natural gender identity.

"The hard truth is that gender is not always a clear-cut designation. But it is a widely misunderstood one. There is a heavy stigma which comes with the term "transgender." No one would consciously choose to adopt a lifestyle wherein persecution, judgment, and abuse are the order of the day, every day of their lives. It is difficult for a non-transgender person to fathom what this must be like. Discrimination will always exist, but I urge your support of this bill so that transgendered individuals are able to live with dignity. I urge the Members' support."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2227, HD 1, entitled: "A BILL FOR AN ACT RELATING TO BIRTH CERTIFICATES," passed Third Reading by a vote of 48 ayes to 2 noes, with Representatives Cullen and Ward voting no, and with Representative Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 824-12) recommending that H.B. No. 2555, HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2555, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Johanson rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. With reservations. Thank you. I'll be very brief. I do understand the need and am very sympathetic with needing to comply with federal dictates. I do worry though that because of the necessity of most of these documents, and people's lack of choice, the

increase in cost will be borne by quite a few people. So it's for those reasons that I have reservations on the bill."

Representative Awana rose in opposition to the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Awana's written remarks are as follows:

"Mr. Speaker, I rise in opposition. In many if not most cases, those requiring a copy of a certificate are people who are seeking assistance for such things as school scholarships, affordable housing, welfare assistance and this list goes on. What I am saying is that those who seek these documents are people in need. Yet, what this bill does is create additional costs for those in an economic hardship.

"A few years ago, the Legislature provided additional funding to the Department of Health to assist with their vital statistics department for the purposes of moving away from a manual system. They moved to an electronic system. However, wait time continues to be an hour or longer in length. In addition, when the electronic changes were made, no consideration was given to the Hawaiian language. If there are diacritical markings, for example a *kahakō* or an *'okina*, the wait time increases to two to three weeks after waiting an hour or longer. For these reasons, I stand in opposition. This measure creates a negative impact on those who are in need of help. Thank you, Mr. Speaker."

Representative Belatti rose in support of the measure with reservations and asked that the remarks of Representative Johanson be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Ching rose in opposition to the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ching's written remarks are as follows:

"Thank you, Mr. Speaker. I stand in opposition of H.B. 2555-Relating to Vital Statistics Fees. This raises the fees associated with vital statistics certified copy and expedited and correction services.

"H.B. 2555 puts more unnecessary economic hardship on the people of Hawaii. I find it unnecessary to raise the fees for gathering simple information especially when native Hawaiians must get verification through vital statistics to verify their native authenticity. Thank you."

Representative Marumoto rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I will take a no vote on this and I note that we are raising a myriad of fees in many of these bills. Thank you."

Representative Riviere rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Pine rose to speak in opposition to the measure, stating:

"In opposition, with brief comments. Yes, Mr. Speaker. We are creating new fees for marriage, birth and death certificates, as well as increasing fees for other areas, on things that people need. The reason I'm in opposition, Mr. Speaker, is that in the last five years, we have increased taxes on the people of Hawaii. We've increased just about every fee that we can think of. We have the highest combination of taxes and fees on the residents and the people of Hawaii. They just need a break, Mr. Speaker. And it is my hope that we will consider that many of these residents are already paying taxes so they can get these documents as it is. So that is why I have opposition to this measure."

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Ward rose to speak in opposition to the measure, stating:

"Mr. Speaker, in opposition with brief comments. Mr. Speaker, we pride ourselves that we have said and have stood by the fact that we are not

going to raise taxes this Session. However, accumulated fees by any other name are tax increases. So those that escape the \$600 million that we raised last year in taxes are going to slowly be eaten away by the dozens, and I'll give you a count before the end of the session today. Mr. Speaker, as we eat away, we will have as they say, 'a rose by any other name is still a rose.' Thank you, Mr. Speaker."

Representative Chong rose to speak in support of the measure, stating:

"Mr. Speaker, in support. I just ask the Members to actually read the bill. This bill covers mainly expedited copies, special services, certified copies, and searches in other areas. It's not for if you're just getting a certificate for your first time, the regular birth certificate. These are special services or replacements, or things that the staff need to do that are extraordinary. This is to pay for those costs. Otherwise, the general taxpayer has to subsidize those costs and I don't think that's fair either. The user should. Thank you."

Representative Yamane rose to speak in support of the measure, stating:

"Mr. Speaker, I'm standing in support. Mr. Speaker, this Administration bill has requested an additional fee increase on certified copies and subsequent copies. The purpose of this measure, on behalf of the Department, has been to address that, one, these fees have not increased for over 15 years. As well as, due to very real things going on in our society regarding issues of physical security, storage of public records, recommendations from the 9/11 Commission, and also suggestions for the Intelligence Reform and Terrorism Prevention Act. These recommendations made to protect the safety of our citizens require the Department of Health to put in extra security measures. These extra security measures to protect our citizens do cost money. So again, their request is to use these fees to enhance and protect the information and data collected. Thank you very much, Mr. Speaker."

Representative Luke rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I rise with some reservations. Usually I would support something like this because I do understand that various departments have administrative costs. The reason I'm rising with reservations, is because of the timing of the bill.

"Recently, the driver license requirements were drastically changed for all residents for the State of Hawaii, not because of anything that the Legislature or the State did, but because of compliance with the federal regulation. And part of the requirement is to get proof of a marriage license, proof of birth certificates, and so it's not just something that people will normally get. But for the next several months, people are going to be trying to get expedited copies and it just seems like we don't want to give any impression that we are, especially in light of what had happened in the recent change in law, that we were looking at something like this. So we don't want to give any kind of misconception or misperception. Thank you."

Representative Ward rose to respond, stating:

"Mr. Speaker, just a brief response to the Majority Leader. I think we have to look at the forest. If you look at the trees, I agree with him. It looks *manini*. We pass \$600 billion worth of tax increases by saying, 'Hey one more cup of Starbucks.' That'll get you saving the environment. One more latte or something that really defines it down as so insignificant.

"But Mr. Speaker, my point is to look at this in the context of the whole. There's 35 different fees. This fee goes 50% increase for marriage, death, divorce, for expediting. People should know. It's \$50 for the expedition. It's not \$10. It's \$50 to expedite this thing. So looking at it as a whole, these things are going to add up significantly. But I agree with the gentleman. If it's only looked at as one tree, we'll miss the forest. My point is the forest. Thank you."

Representative Keith-Agaran rose in support of the measure with reservations and asked that the remarks of Representative Luke be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)



Representative Wooley rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Wooley's written remarks are as follows:

"I have serious reservations about the fee increase in this bill. I do, however, believe there should be easier access to public records electronically, and the fees for this service should be minimal."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2555, HD 1, entitled: "A BILL FOR AN ACT RELATING TO VITAL STATISTICS FEES," passed Third Reading by a vote of 43 ayes to 7 noes, with Representatives Awana, Ching, Fontaine, Marumoto, Pine, Thielen and Ward voting no, and with Representative Manahan being excused.

At 11:36 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2099, HD 1  
H.B. No. 2575, HD 3  
H.B. No. 2655, HD 2  
H.B. No. 2766, HD 2  
H.B. No. 1967, HD 2  
H.B. No. 2227, HD 1  
H.B. No. 2555, HD 1

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 825-12) recommending that H.B. No. 2567, HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2567, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Ching rose in opposition to the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ching's written remarks are as follows:

"Thank you, Mr. Speaker. I stand in opposition of H.B. 2567-Relating to Marriage License Fees as this bill raises the marriage license fee from \$60 to \$100. It specifies that \$40 for each marriage license shall be issued to the credit of the Vital Statistics Improvement Special Fund under section 338-14.6, Hawaii Revised Statutes.

"H.B. 2567 adds to the unnecessary economic hardship on the people of Hawaii. An increase of \$40 for a marriage license, like an increase in taxes, at this time is not prudent. The current \$60 marriage license fee is an additional cost to already expensive wedding expenses, and burdening enough as it is. To increase it even more would be a hardship for newlyweds. Furthermore, there is no evidence that this measure would alleviate dependence on the general fund, as asserted by the DOH. Thank you."

Representative Ward rose to speak in opposition to the measure, stating:

"Same vote, same speech. If you look at the forest, you see a lot of increases. If you look at the trees, this is one. Except for the Native Hawaiians. May I add one footnote here? Because of the Native Hawaiian roll that's going to be registering probably 120,000 people, it just happens to be that they are going to have to pay this increase, and that's probably going to be another \$600,000 into the treasury. However, one former Representative, Native Hawaiian Representative said that this amounts in effect, to a Hawaiian poll tax. It didn't go over very well, and I think there should be an exemption for that."

The Chair addressed Representative Ward, stating:

"Representative Ward, you are out of order. We are talking about marriage fees, and not a poll tax whatsoever."

Representative Ward: "The other bill had that in it, Mr. Speaker."

Speaker Say: "We're not addressing that other bill."

Representative Ward: "You're right. I stand corrected. But the Hawaiian poll tax stood because I forgot to say it before. Thank you."

Representative Pine rose to speak in opposition to the measure, stating:

"Yes, Mr. Speaker. In opposition, and a brief comment. This is another bill that does increase marriage license fees by 40% on our constituents. And that is why I'm in opposition."

Representative Awana rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Awana's written remarks are as follows:

"Mr. Speaker, I stand with reservations. Currently, a marriage license is \$60. Now there will be a \$40 increase. The new fee will be \$100. The current price on a civil union license is \$60. There will be no fee increases. Proponents of civil unions claimed that it was an issue of rights and equality. This bill places those engaging in marriage at a financial inequity – where are their rights? Should this measure proceed, I would like to see either the fees for civil unions be increased to \$100 as with marriage licenses or the proposed increase for marriage licenses be increased instead by \$20 and civil unions increased by \$20 - both carrying a shared burden of equal value. For these reasons, I stand with reservations and my hope is that this measure be amended while passing in future committee hearings. Thank you, Mr. Speaker."

Representative Johanson rose in opposition to the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Johanson's written remarks are as follows:

"I oppose HB 2567, Relating to Marriage License Fees. I would understand the need for a minor fee increase, but I feel that raising the marriage license fee from \$60 to \$100 is exorbitant and unnecessary as the Department has not specified the exact reason for such an exponential increase. Moreover, this increase is predicated on funding for future processing needs, but the specifics and justification for those needs have not been laid out clearly. For these reasons, I vote in opposition to this measure."

Representative Riviere rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Belatti rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Riviere rose stating:

"Mr. Speaker, please change my with reservations vote on Stand. Com. Rep. No. 825 to a no vote."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2567, HD 1, entitled: "A BILL FOR AN ACT RELATING TO MARRIAGE LICENSE FEES," passed Third Reading by a vote of 42 ayes to 8 noes, with Representatives Ching, Fontaine, Johanson, Marumoto, Pine, Riviere, Thielen and Ward voting no, and with Representative Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 826-12) recommending that H.B. No. 609, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 609, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Ching rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In strong support with gratitude to Members of the House, the Chair. Mr. Speaker, I know that I have spoken on this before, so I will insert written comments."

Representative Ching's written remarks are as follows:

"Thank you Mr. Speaker, I rise in strong support of HB 609 HD2, Relating to Health.

"Mr. Speaker, I would first and foremost like to thank my colleagues for supporting this appropriation. The recent difficulties faced by HMC-East have been a source of great concern for myself, the people of Liliha, and the State as a whole. Seeing how we can work together for such a worthy cause is inspiring. I hope we can continue to find that common ground that benefits us all.

"This appropriation is an investment in a community institution; one that benefits everyone in our community, and it will prove its worth by its continued good works and service to the people of this State.

"Mr. Speaker, at this critical time in our State's history, the health of our people is of such vital importance. The laws we make right now will continue to affect the well-being of our communities for generations. Nowhere is that more true than in my district. So on behalf of the people of my district and myself, I strongly support HB 609 HD2, and offer my most sincere gratitude to all of my colleagues who have done the same. Thank you, Mr. Speaker."

Representative Pine rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Pine's written remarks are as follows:

"I strongly support HB609 HD2 Relating to Health for the following reasons:

"HB609 HD2 has two primary functions. The first is to authorize the assimilation of Hawaii Medical Center-East on Oahu into the Hawaii Health Systems Corporation. Secondly, it appropriates funds to enable the assimilation, including the hiring or contracting of staff.

"One of the greatest benefits of HB609 HD2 is the impact it could have on long-term care capacity. HHSC claimed in their testimony that the bill could possibly double its facility's capacity on Oahu, which would be a great improvement to our State's ailing medical system.

"One of our most urgent health care issues in the State of Hawaii is the shortage of long-term care beds. This shortage affects our healthcare system in many ways. First, it affects the level of care available to our residents. It also has a negative impact on the quality of life for patients in acute care beds who need long-term care. These patients are held in limbo, unable to participate in any of the social or rehabilitative services afforded by long-term care. This can have a very detrimental effect on a patient's morale, and thereby his or her recovery.

"This capacity-building is also very important in a rapidly-aging state such as Hawaii. These long-term care services will be a more important aspect of our healthcare services in the coming years. HB609 HD2 will help us to address this issue of an aging population, and also free up much-needed acute care beds.

"One of the most important resources we have here in the State of Hawaii is the health of our people. This bill will allow us to care for our residents of all ages in terms of their own individual needs. That is what a modern health-care system does, and that is what HB609 HD2 attempts to create through this appropriation.

"For all of these reasons, I strongly support HB609 HD2, Relating to Health."

Representative Cabanilla rose to speak in support of the measure, stating:

"In support, Mr. Speaker. And I just would like to say that this is a good way to support our *kupuna*."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 609, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Third Reading by a vote of 50 ayes, with Representative Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 827-12) recommending that H.B. No. 1723, as amended in HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1723, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Pine rose to disclose a potential conflict of interest, stating:

"Yes, Mr. Speaker. I just want to get a ruling on a potential conflict. I am a recipient of the TRICARE program," and the Chair ruled, "no conflict."

Representative Cabanilla rose to disclose a potential conflict of interest, stating:

"Also a ruling of a potential conflict, Mr. Speaker. I'm a user, as well as provider of TRICARE within the TRICARE program. Thank you," and the Chair ruled, "no conflict."

Representative Takai rose to disclose a potential conflict of interest, stating:

"Thank you, Mr. Speaker. Same request," and the Chair ruled, "no conflict."

Representative Takai continued to speak in support of the measure, stating:

"I rise in support of this measure, just briefly. I just wanted to inform our Members that this TRICARE program is beneficial not only to military families, retirees and veterans, but more importantly to the State of Hawaii. Because as you heard just recently, there are three of us here on the Floor that partake in TRICARE. And for every person in the State government or county government that participates, we lessen the burden on the EUTF significantly.

"In fact, I wrote numerous letters to the EUTF Board urging them to consider working with us because for every 250 families just like mine, that we get off of EUTF and onto TRICARE, the EUTF saves \$1,000,000. So I'd hoped that we can support this measure, and I eventually hope to eliminate the drop dead of 2015. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1723, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE TRICARE PROGRAM," passed Third Reading by a vote of 50 ayes, with Representative Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 828-12) recommending that H.B. No. 2274, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2274, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Ching rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I rise to express my reservations regarding House Bill 2274 and the companion measure 2275, as these bills would impose a 3% additional fee on long-term care facilities and on hospitals in our State. The intended purpose of the fee is to help Hawaii draw down more Medicaid funds by providing a match for federal dollars. This is commendable, since Hawaii needs to obtain all federal Medicaid support available. However, the approach of adding a fee may not be the best way to go, as the fee will only add to the already high cost of medical care in Hawaii, and in particular entry long-term care homes who struggle to cover expenses.

"Although the newest version of the bill attempts to address this issue, the current provider fee structure of the bill may still cause difficulty for long term care homes. So while I'm in support of this, Mr. Speaker, I would like to see and would ask that we convert the existing GET tax that is paid on Medicare, and making this a fee so it can be used for Medicaid matching funds. By doing this we avoid the need to increase already costly medical expenses, yet still allow Hawaii to draw down the Medicaid money. And so I hope that our colleagues will consider this and see it as a more prudent approach. Mahalo."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2274, HD 2, entitled: "A BILL FOR AN ACT RELATING TO LONG-TERM CARE FACILITIES," passed Third Reading by a vote of 50 ayes, with Representative Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 831-12) recommending that H.B. No. 2122, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2122, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Johanson rose to speak in support of the measure with reservations, stating:

"Thank you. In support with reservations, please. Thank you, Mr. Speaker. I understand the intent of the measure, and I think it is a good one. There certainly is a lot of complication and morass created by a complicated procurement process, which is why I'm supporting the measure. Some of the concerns that I do have though, particularly about this measure, in giving the Governor and the Mayor potential exemption from the bid protest process, as well as administrative hearings is again that, to me it upsets the apple cart a little with respect to checks and balances.

"I do fully support and hope for expeditious and publicly beneficial development, which often can be hindered. And again, I think that's the intent of this measure. But I do feel like it potentially gives the Executive Branch more power than perhaps it should. I'm willing to see where it goes, but I just would like to raise that concern. Thank you."

Representative Fontaine rose in support of the measure with reservations and asked that the remarks of Representative Johanson be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Marumoto rose in support of the measure with reservations and asked that the remarks of Representative Johanson be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Rhoads rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Belatti rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Ching rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Saiki rose to speak in opposition to the measure, stating:

"Mr. Speaker, I rise in opposition to this measure. Today we are considering several measures that seek to exempt projects from our Procurement Code, as well as with many significant environmental laws. This is being done under the guise of economic development. And while I acknowledge that it is a priority for the State, we need to consider other means of addressing this issue.

"I wanted to actually use the words of someone else who has dealt with this issue for many years while he served as Governor of our State. This is what Governor Ariyoshi wrote in his book, *With Obligation to All*, with respect to our State's economic development approach:

The quick political solution for economic problems is to spend money. It is to turn one's back on what is fiscally sound, issue contracts for construction, consulting, etc. and to generate almost any kind of economic activity. Another aspect of the quick fix is to generate investment in the undertakings even if it means turning a blind eye to the negative environmental impact. The policy of managed growth was anything but a quick fix. It was unique in the history of Hawaii. It is unique at the state level within the United States and perhaps even unique in the context of the developed world. The preeminent importance I assigned to managed growth was not continued when I left office, perhaps understandably. Nonetheless managed growth will ideally only become more important as the years go on. Opportunistic politicians may hide from the need for it, but thoughtful and caring ones will not.

"Thank you, very much."

Representative Wooley rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Wooley's written remarks are as follows:

"The procurement protest provisions provide us with a self-policing system so that everyone has the incentive to play by the rules. The significant risks associated with the elimination of the right of a contractor to file a protest are not addressed in this bill."

Representative Belatti rose to speak in opposition to the measure, stating:

"Thank you. My second time. May I change my reservations vote to no, and have the words of the Representative from McCully adopted as my own?" and the Chair "so ordered." (By reference only.)

Representative Pine rose to speak in support of the measure with reservations, stating:

"Yes, with strong reservations, and I would like to use the words from the Representative of McCully as my own," and the Chair "so ordered." (By reference only.)

Representative Thielen rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Luke rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Takai rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative C. Lee rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2122, HD 2, entitled: "A BILL

FOR AN ACT RELATING TO THE PROCUREMENT CODE," passed Third Reading by a vote of 47 ayes to 3 noes, with Representatives Belatti, Hanohano and Saiki voting no, and with Representative Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 832-12) recommending that H.B. No. 2319, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2319, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT," passed Third Reading by a vote of 50 ayes, with Representative Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 833-12) recommending that H.B. No. 2266, HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2266, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Fontaine rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2266, HD 1, entitled: "A BILL FOR AN ACT RELATING TO INFORMATION TECHNOLOGY," passed Third Reading by a vote of 50 ayes, with Representative Manahan being excused.

At 11:49 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2567, HD 1  
H.B. No. 609, HD 2  
H.B. No. 1723, HD 1  
H.B. No. 2274, HD 2  
H.B. No. 2122, HD 2  
H.B. No. 2319, HD 2  
H.B. No. 2266, HD 1

#### LATE INTRODUCTIONS

The following late introduction was made to the Members of the House:

Representative Aquino introduced Mr. Carl McNair, Founder and President of the Dr. Ronald E. McNair Foundation; and Mr. Claude Onizuka, Board Member of the Friends of Challenger Hawaii. They were accompanied by other members of the Office of Student Equity, Excellence and Diversity of the University of Hawaii (SEED), McNair Scholars, Friends of the Challenger Center Hawaii, and the Department of Education.

Ms. Maile Goo, SEED/GPA Program, McNair Program Director;  
Ms. Charlene Cuaresma, SEED/GPA/Ancart/McNair Projects;  
Ms. Kalai Castro, McNair Program Coordinator;  
Ms. Liza Simon, SEED Program Staff;  
Mr. Justin Ragasa, McNair Scholar;  
Ms. Leina'ala Bright, McNair Scholar;  
Mr. Mikhail Coloma, McNair Scholar;  
Ms. Laurel Pikcunas, McNair Scholar;  
Mr. Joseph Ciotti, Director for Aerospace Education at Windward Community College; and  
Ms. Keolani Noa, Kapiolani Community College STEM Education.

#### Friends of Challenger Center Hawaii

Ms. Theresia McMurdo, Treasurer;  
Mr. Stanley Seki, Secretary;  
Ms. Amy Agbayani and Mr. Clint Churchill, Board Members.

#### Department of Education

Ms. Joyce Bellino, Assistant Superintendent, Office of Curriculum, Instruction and Student Support;  
Mr. Anthony Chun, School Renewal Specialist, Campbell and Kapolei Complex;  
Ms. Liane Kim, Director, Challenger Center Hawaii;  
Ms. Susie Hirokane, Principal, Pearl City Elementary School; and  
Ms. Traci Tanouye, Technology Coordinator, Pearl City Elementary School.

#### ORDINARY CALENDAR

#### UNFINISHED BUSINESS

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 835-12) recommending that H.B. No. 2325, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2325, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I am rising to cast a no vote on this measure and make a few comments. Thank you. This is Relating to Broadband. What it does is, it establishes an automatic approval process, and I believe that automatic approvals are a really bad idea. It means that if, for example, the government can't act because the Board of Land and Natural Resources can't get a quorum in time, then the permit is deemed approved.

"The difficulty about this one is that it includes undersea boring, and undersea boring can tie in obviously to the cable project, the interisland cable project. And it could go through a pristine marine ecosystem, and it would be automatically approved simply for lack of getting a quorum. I don't think that is good public policy and therefore I'm casting a no vote."

Representative Tokioka rose to disclose a potential conflict of interest, stating:

"Yes, Mr. Speaker. I'd like to ask for a ruling on a potential conflict. Thank you, Mr. Speaker, in my private job, I work for Oceanic Time Warner Hospitality Class. Thank you," and the Chair ruled, "no conflict."

Representative Rhoads rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Keith-Agaran rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I support H.B. 2325 which sets a forty-five business day time frame in which the State and county agencies must approve, disapprove, or approve with modification, all broadband-related permits. It provides that if no action is taken within the time frame, the permit will be automatically approved on the forty-sixth business day. This bill creates an efficient and reliable process of issuing permits for the wide-area deployment and adoption of broadband networks. It replaces the inefficient and arduous permitting-process in place now, which causes significant and costly delays in permits being granted.

"Elected and appointive officials – from county and State agencies— have for many years touted the importance of broadband infrastructure to the educational and economic future of our community. This bill simply urges those agencies to give the development of broadband infrastructure the same priority and attention that our existing laws give to the development of affordable homes and other priority items. It will foster the growth of broadband infrastructure, which will give our Hawaii citizens and businesses increased access to information technology. It will

especially be an asset to Hawaiians who reside on Hawaiian Home Lands, and in rural areas of the State, where access to broadband is lacking. Increasing access to broadband in these areas will grant Hawaiians a myriad of resources, including the ability to preserve and transmit their cultural heritage, and participate in the global market.

"Broadband infrastructure is vital to Hawaii's economy, and a streamlined permitting process will attract much-needed broadband investment within the State."

Representative C. Lee rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Johanson rose in support of the measure with reservations and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Johanson's written remarks are as follows:

"I rise in support with reservations on HB 2325, Relating to Broadband Permitting. While I fully support technological advancement and making technologies such as broadband service as accessible as possible to the people of Hawaii, I have concerns over any process that receives automatic approval if no action is taken. This bill grants permit approval in response to inaction, and I believe there are better methods for improving the construction permitting process. For these reasons, I vote in support with reservations on this measure."

Representative Takai rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative M. Lee rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Wooley rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Wooley's written remarks are as follows:

"I am very excited about the State's effort, and this Legislature's support of broadband. I am very concerned that this bill, which will allow for automatic approval for all State and county permits after 45 days, will lead to litigation and the approval of projects that are not acceptable to the public. This broadband bill is simply much too broad."

Representative Yamane rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, with reservations. I do want to note the efforts of the Chair, the Representative from Ulupalakua. Thank you."

Representative Cullen rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2325, HD 2, entitled: "A BILL FOR AN ACT RELATING TO BROADBAND," passed Third Reading by a vote of 43 ayes to 6 noes, with Representatives Ching, Fontaine, Hanohano, Pine, Riviere and Thielen voting no, and with Representatives Cabanilla and Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 836-12) recommending that H.B. No. 1511, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1511, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Marumoto rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, I have reservations on this bill, Relating to High Technology and I do hope the University and the Manoa Innovation Center will be able to work this out. But I have reservations because we have a constitutional amendment that requires that the University be able to handle its own internal affairs. I think this steps into those bounds, so I am voting with reservations."

Representative Fontaine rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative McKelvey rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In support. And I would like to, for the edification of everybody, note that the Hawaii Strategic Development Corporation is not an entity of the University of Hawaii. It's an entity of DBEDT. So this is not a matter of basically keeping University issues within themselves. Thank you, very much."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1511, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HIGH TECHNOLOGY," passed Third Reading by a vote of 49 ayes, with Representatives Cabanilla and Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 837-12) recommending that H.B. No. 1768, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1768, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Rhoads rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1768, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII PUBLIC PROCUREMENT CODE," passed Third Reading by a vote of 49 ayes, with Representatives Cabanilla and Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 838-12) recommending that H.B. No. 2265, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2265, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Rhoads rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2265, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE STATE PROCUREMENT CODE," passed Third Reading by a vote of 49 ayes, with Representatives Cabanilla and Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 839-12) recommending that H.B. No. 2324, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2324, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I'm rising to cast a no vote, and to explain why. Thank you. This measure exempts broadband facilities from all county permitting requirements and State permit approval requirements on State buildings and government land on which the State buildings were located. I don't think this is a good idea. It's one of the other exemption measures. And when we continue to carve out exemptions from different protections on our State property and our property at large in the islands, we can end up with some unfortunate mistakes. I think this is not the way to go. Thank you."

Representative Rhoads rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Luke rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Pine rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative C. Lee rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Takai rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Belatti rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Tokioka rose to disclose a potential conflict of interest, stating:

"Mr. Speaker I'd like to ask for a ruling on a potential conflict. In my private job, I work for Oceanic Time Warner Hospitality Class. Thank you, Mr. Speaker," and the Chair ruled, "no conflict."

Representative Riviere rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Wooley rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Wooley's written remarks are as follows:

"While I'm all for streamlining efforts to help the State become competitive when it comes to broadband, I have serious concerns that the language in this bill is much too broad."

Representative Saiki rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Johanson rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2324, HD 2, entitled: "A BILL FOR AN ACT RELATING TO BROADBAND," passed Third Reading by a vote of 45 ayes to 4 noes, with Representatives Ching, Fontaine, Hanohano and Thielen voting no, and with Representatives Cabanilla and Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 840-12) recommending that H.B. No. 2411, as amended in HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2411, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Ward rose and asked that the Clerk record a no vote for him, and the Chair "so ordered."

Representative Fontaine rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2411, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CAPITAL IMPROVEMENTS," passed Third Reading by a vote of 48 ayes to 1 no, with Representative Hanohano voting no, and with Representatives Cabanilla and Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 841-12) recommending that H.B. No. 2869, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2869, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Rhoads rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, please note my reservations and just a couple of sentences. I understand the argument in favor of the Film Tax Credit and it does have a multiplier effect. But it's not clear to me that we actually get enough in return for what we invest, so hence my reservations. Mahalo."

Representative Souki rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Wooley rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Keith-Agaran rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I strongly support of H.B. 2869 which extends the motion picture, digital media, and film production tax credit to January 1, 2025. This bill places the focus clearly on supporting local employment and talent, fostering more Neighbor Island location shooting, and supports an important niche in our economy that should continue to be nurtured and grown."

"This measure raises the qualified production tax credit ceiling, separates the calculation of the credit amount based on wages and salaries from the credit amount based on other qualified production costs. It also provides different credit amounts based on residence within the counties for the wages and salaries paid to all cast, crew, and musicians of the qualified production, plus an additional unspecified per cent credit amount on wages and salaries of cast, crew, and musicians who are State residents."

"Tax credits provided to local, mainland, and international producers and investors in the film and digital media industry, will result in continued growth of the film and digital media industry here in Hawaii. This energized film and digital media industry will provide Hawaii with a myriad of benefits. It will increase opportunities and resources to small, local production companies so that their employees' dreams of success in the film and digital media industry can be met here in their home state. It will create a significant number of skilled, high-paying jobs, which the film and digital media industry will have financial interests in hiring. This hopefully will result in private sector investments in training and

workforce development for the new skilled and creative jobs this industry will create. It will undoubtedly inject substantial amounts of new revenue into our State economy, which will be dispersed across many communities, businesses, and residents. Finally, the film industry is a clean, non-polluting, and compatible industry for us as a state to invest in, and it is an industry that has an active interest in preserving the natural beauty of Hawaii."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2869, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE ECONOMY," passed Third Reading by a vote of 49 ayes, with Representatives Cabanilla and Manahan being excused.

At 12:02 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2325, HD 2  
H.B. No. 1511, HD 2  
H.B. No. 1768, HD 2  
H.B. No. 2265, HD 2  
H.B. No. 2324, HD 2  
H.B. No. 2411, HD 1  
H.B. No. 2869, HD 2

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 842-12) recommending that H.B. No. 2872, HD 2, as amended in HD 3, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2872, HD 3, pass Third Reading, seconded by Representative Evans.

Representative Ward rose to speak in support of the measure, stating:

"Mr. Speaker, I rise in strong opposition. What is this? Reverse universe? I want to cheerlead this bill. In strong support, Mr. Speaker. See because usually I stand up in opposition, it gets to be habitual. I am not a naysayer. I want to be a cheerleader. Mr. Speaker, this is all about our future. This is a great opportunity to advance."

The Chair addressed Representative Ward, stating:

"Representative Ward, would you like to give you statements for these two measures? Stand. Com. Report 842-12, and 843, both at the same time?"

Representative Ward: "Do you think I'm confused about the bill number?"

Speaker Say: "No, I just want you to say one thing for these two measures that deal with PISCES and aerospace."

Representative Ward: "Combine the two together. Of course. I appreciate that.

"Mr. Speaker, this is such an opportunity. I think it's almost a game changer if we consummate it the way that it looks. Right now, we've got NASA that's in love with Mauna Kea, and in love with the Big Island. And because space is now privatized it's an opportunity to bring all of the private companies that are interested. So far they include Google, Space X PRIZE Foundation, Lockheed Martin, Shimizu Corporation, Moon Express, and Boeing. Mr. Speaker, these are the big boys. These are the ones, if we're going to get to the moon, they're going to get to the moon. But when they get there, or to Mars or to Venus, or wherever, they've got to have a base and they've got to have a sustainable environment. The stimulation of our climate, our soil, I forget what they call it. Regolith stimulants. Simulate exactly what they're going to experience.

"So Mr. Speaker, we can not only be boosting our economy, but this is a world class issue that, and you know how strong I am with APEC. This is an even bigger game changer than APEC. So I urge my colleagues to vote

for the future. Vote this up and let's back it. Let's put the money into it. Let's make the investment because this is an enterprise that we can really get behind, as the State of Hawaii. And I will save other comments for the other bill, which is just as good because it changes the PISCES from the University of Hawaii-Hilo to DBEDT by basically taking it out of academia, and putting it in economics which is what we need for the State of Hawaii. Thank you, Mr. Speaker."

Representative Ching rose to speak in support of the measure, stating:

"Just in strong support. It's just ironic I think, that we happen to have NASA up here. But Ellison Onizuka did come to visit Maemae, and I think he's just a source of such great inspiration, and a future for our children. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2872, HD 3, entitled: "A BILL FOR AN ACT RELATING TO AEROSPACE HIGH TECHNOLOGY DISTRICTS," passed Third Reading by a vote of 49 ayes, with Representatives Cabanilla and Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 843-12) recommending that H.B. No. 2873, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2873, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION SYSTEMS," passed Third Reading by a vote of 49 ayes, with Representatives Cabanilla and Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 844-12) recommending that H.B. No. 2018, HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2018, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Riviere rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. In opposition. This still contains the 180 days limbo after the foreclosure transaction transpires. The property would be in an excused state of limbo. There'll be no lenders taking advantage of this bill. There will be no buyers. No title companies. There will be nothing. So we continue our track record of zero people using this program. Thank you."

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Herkes rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. When we did Act 48, we left the UDAP provision in the mediation process and offshore banks were using that as an excuse not to use the mediation. This is designed to take that out of mediation. And if they continue to not use mediation, then we know there's another problem and it's probably that they don't show proper title."

Representative Keith-Agaran rose to disclose a potential conflict of interest, stating:

"Yes, Mr. Speaker. I'd like a ruling on possible conflicts on both SCR 844-12 and 845-12. My firm occasionally handles cases that may include foreclosures. Thank you," and the Chair ruled, "no conflict."

Representative Ching rose in support of the measure with reservations and asked that the remarks of Representative Riviere be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2018, HD 1, entitled: "A BILL FOR AN ACT RELATING TO FORECLOSURES," passed Third Reading by a vote of 48 ayes to 1 no, with Representative Riviere voting no, and with Representatives Cabanilla and Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 845-12) recommending that H.B. No. 2375, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2375, pass Third Reading, seconded by Representative Evans.

Representative Keith-Agaran rose to disclose a potential conflict of interest, stating:

"Yes, Mr. Speaker. I'd like a ruling on possible conflicts on both SCR 844-12 and 845-12. My firm occasionally handles cases that may include foreclosures. Thank you," and the Chair ruled, "no conflict."

Representative Yamane rose to speak in support of the measure, stating:

"I'm standing in strong support. This is legislation that is similar to that of 11 other states. This will put criminal penalties and mandatory fines to ensure that these predators don't continue to go after our *kupuna* and our hardworking families. Thank you, Mr. Speaker."

Representative Pine rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Pine's written remarks are as follows:

"I stand in support of HB2375. This bill would help to protect distressed Hawaii homeowners who face foreclosures from being preyed upon by individuals and companies with malicious intent during the mortgage foreclosure crisis. It recognizes the two-pronged approach that is needed to combat this problem: enforcement and public education. Innocent people deserve to know that leaders and law enforcement are effectively combating this type of fraud."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2375, entitled: "A BILL FOR AN ACT RELATING TO THE MORTGAGE RESCUE FRAUD PREVENTION ACT," passed Third Reading by a vote of 49 ayes, with Representatives Cabanilla and Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 849-12) recommending that H.B. No. 2359, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2359, HD 2, pass Third Reading, seconded by Representative Evans.

At 12:08 o'clock p.m., Representative Ward requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 12:09 o'clock p.m.

Representative Ward rose to speak in opposition to the measure, stating:

"Mr. Speaker, I rise in opposition to this measure. I think it's well intended in that we want to have insurance for our various electronic appliances. Mr. Speaker I have here an iPhone which I rely upon, which I insure. But the holder of this insurance or the seller of this, didn't have to pay \$2,000 to get a license. Why should we be charging people to sell us something, I think this is \$7 per month, and that will probably make it \$10 or \$15 dollars a month, if we're going to hit them with a \$2,000 licensing fee.

"So, Mr. Speaker, I would only end by saying, what's the rationale behind this? And why should we bother with something that's already working well on its own without government getting involved? Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2359, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PORTABLE ELECTRONICS INSURANCE," passed Third Reading by a vote of 44 ayes to 5 noes, with Representatives Ching, Fontaine, Johanson, Riviere and Ward voting no, and with Representatives Cabanilla and Manahan being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 851-12) recommending that H.B. No. 2526, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2526, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Marumoto rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, I have reservations on this particular measure, especially regarding the issue of privacy."

Representative Tokioka rose to disclose a potential conflict of interest, stating:

"Thank you, Mr. Speaker. I'd like to ask for a ruling on a potential conflict. In my private job I work for Oceanic Time Warner Cable," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2526, HD 2, entitled: "A BILL FOR AN ACT RELATING TO REPORTING REQUIREMENTS FOR TELECOMMUNICATIONS AND CABLE TELEVISION PROVIDERS," passed Third Reading by a vote of 48 ayes to 1 no, with Representative Hanohano voting no, and with Representatives Cabanilla and Manahan being excused.

At 12:11 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2872, HD 3  
H.B. No. 2873, HD 2  
H.B. No. 2018, HD 1  
H.B. No. 2375  
H.B. No. 2359, HD 2  
H.B. No. 2526, HD 2

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 852-12) recommending that H.B. No. 1875, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1875, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Riviere rose to speak in support of the measure with reservations, stating:

"With reservations. We're into this now. We have the Act 48 from last year, the program that nobody has used. We do need to fix it. Anyone who's read this bill sees it just keeps getting longer and longer, and more fixes and more patches. So we do have to do something about it. And I'm not sure that making it longer and more cumbersome and such is the right answer. But I'll vote with reservations on this one."

Representative Keith-Agaran rose to disclose a potential conflict of interest, stating:



"Yes, Mr. Speaker. I'd like to request ruling on a possible conflict. My firm does occasionally handle cases that involve foreclosures. Thank you," and the Chair ruled, "no conflict."

Representative Cullen rose to disclose a potential conflict of interest, stating:

"Mr. Speaker, may I request a ruling on a potential conflict? I serve as a Director on my homeowners association in Village Park," and the Chair ruled, "no conflict."

Representative Fontaine rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Herkes rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. Mr. Speaker, this is the mortgage foreclosure omnibus bill which the 2011 Mortgage Foreclosure Task Force developed. It's like 140 pages. I'm not going to read my 7 pages of testimony, but I would like permission to insert it into the record. I would like to make a few comments.

"The task force made several recommendations to establish and refine the foreclosure process for associations including condominiums and planned communities. There are some issues that still need to be worked out and various stakeholders are continuing their discussions as they work towards common ground. Besides association managers, the main provisions in this bill including the temporary UDAP provision are: A permanent ability for owner-occupants to convert non-judicial foreclosures to judicial foreclosures. Establishes a time limit for when transfers of title after foreclosure can be challenged. Repealing the Part 1 non-judicial process, which was one of the real problems that we had prior to Act 48. Removes the *Star Advertiser's* monopoly on public notices and foreclosure sales. When they became the sole provider, their rates went up five times. Requires attorneys filing foreclosure actions to sign an affirmation that they reviewed the paperwork and the bank has legal authority to foreclose.

"There's just a couple of other things I'd like to comment on, Mr. Speaker. If you'd give me just a second here. It's a very complex bill. We found such fraud among the offshore banks that we need to address, and quite frankly, from my standpoint, I would rather protect the Hawaii homeowners than the offshore banks. Thank you."

Representative Herkes' written remarks are as follows:

"Over the interim, the legislatively-created Mortgage Foreclosure Task Force convened for its second year, focusing its efforts on reviewing and refining the provisions of Act 48. Their recommendations are included in HB1875 HD2 with some amendments.

"Everett Kaneshige, formerly the Deputy Director of the Department of Commerce and Consumer Affairs and Chair of the task force, explained in his testimony that the task force "focused on streamlining the process enacted by the Legislature" and tried "to bring to the Legislature's vision of a functional and fair non-judicial foreclosure process to fruition."

"The task force's recommendations predominantly concentrated on the non-judicial foreclosure process for condominium and homeowner associations. They also suggested some revisions to the Mortgage Foreclosure Dispute Resolution Program to: protect borrower's personal information; simplify and clarify some definitions and terminology; and refine certain procedural issues.

"The task force also suggested that an owner-occupants' ability to convert their non-judicial foreclosure to one overseen by the courts would be made permanent. Under Act 48, this option would be repealed at the end of 2012.

"Perhaps the task force's most potentially impactful recommendation is to amend Act 48's Unfair and Deceptive Act or Practice (UDAP) provision, which has been cited as the primary reason why lenders have since decided to pursue all their foreclosures in court. The various stakeholders on the task force reached a compromise by majority vote to

support this recommendation, which seeks to retain strong protections for consumers while also providing lenders and title insurers more specific guidance as to what actions may constitute UDAP violations. The compromise recommendation includes a 6 month time-frame on a borrower's ability to challenge the transfer of title of a home after such a foreclosure.

"The current draft of this measure further limit's the application of UDAP so that lenders need not fear committing an automatic UDAP violation while the dispute resolution program is operative. This amendment was adopted to encourage use of the program so that more foreclosure actions may be resolved with the help of a trained third-party neutral. In 2014, when the program ends, the task force's recommendations would then take effect.

"HB1875 HD2 also permanently repeals the non-judicial foreclosure law from 1874, which was used to conduct the majority of foreclosures before Act 48 and is currently under moratorium until July 1, 2012. If this bill is enacted, there would be just one non-judicial foreclosure process with numerous consumer protections built in.

"Also included in this bill is a requirement that a foreclosing lender's attorney sign an affirmation in judicial foreclosures indicating that they had reviewed and verified the accuracy of the lender's paperwork and legal authority to foreclose.

"The bill is 158-pages and predominantly deals with condominium and planned community association liens and foreclosures. A number of these provisions are still being discussed by various stakeholders. These stakeholders have been encouraged by lawmakers to continue working toward consensus so that the final draft's provisions are agreeable to all.

"Several reports indicate that the nation isn't even half way through the foreclosure crisis. Act 48 has cut Hawaii's foreclosure rate to less than half it was before enactment. This bill would further refine its provisions and help many troubled homeowners in the future. But we must stay on alert. It seems the offshore banks do not take us very seriously. According to one constituent at risk of foreclosure in Kahala, her mainland bank told her to agree to a short-sale because she had lots of equity in the property. When that homeowner suggested that the bank take her through the foreclosure process so that she may benefit from Act 48 and its dispute resolution program, the bank said to her: "we're not concerned with Hawaii's law. Act 48 is going to be overturned." That is what they think of Hawaii's people and our laws. Something they're not concerned with. We must continue to do what is best for Hawaii's people. Thank you, Mr. Speaker."

Representative M. Lee rose to disclose a potential conflict of interest, stating:

"Just a request for a potential conflict. I'm a member of a planned community association," and the Chair ruled, "no conflict."

Representative M. Lee then asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Pine rose to disclose a potential conflict of interest, stating:

"I have the same conflict as the previous speaker," and the Chair ruled, "no conflict."

Representative Marumoto rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Ching rose to disclose a potential conflict of interest, stating:

"May I ask for a potential conflict? I serve on a condominium association," and the Chair ruled, "no conflict."

Representative Ching then asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Takai rose to disclose a potential conflict of interest, stating:

"Yes, Mr. Speaker, I'm also an officer in a condo association board. Thank you," and the Chair ruled, "no conflict."

Representative Yamane rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, I'm rising in support with some reservations. Mr. Speaker before I begin I just would like to note that I know the Chair of CPC has been working very hard and diligently in getting all aspects of this bill together.

"Mr. Speaker, I just want to note one area of concern. One additional area. There are several concerns, but to make movement: one is the issue that this bill may have some negative impacts on homeowner associations. I know we'll be working diligently to address these issues regarding the two year time limit for association liens and issues of violations under 667-60, as well as terminating the delinquent access to common areas as this measure moves forward. But I did want to note that some of the homeowner's associations have some concerns with the language in this bill. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1875, HD 2, entitled: "A BILL FOR AN ACT RELATING TO FORECLOSURES," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Cullen voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 853-12) recommending that H.B. No. 2452, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2452, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Keith-Agaran rose to disclose a potential conflict of interest, stating:

"Mr. Speaker, I'd like a ruling on a possible conflict. Our law firm does employ notaries. Thank you," and the Chair ruled, "no conflict."

Representative Ching rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2452, HD 2, entitled: "A BILL FOR AN ACT RELATING TO NOTARIES PUBLIC," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 859-12) recommending that H.B. No. 2476, HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2476, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Belatti rose to disclose a potential conflict of interest, stating:

"Thank you, Mr. Speaker. A ruling on a potential conflict. My law firm has clients that stand to benefit from this bill. Thank you," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2476, HD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE STATE, ITS OFFICERS, OR ITS EMPLOYEES," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 862-12) recommending that H.B. No. 2338, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2338, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE CREATIVE MEDIA INDUSTRY," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Hanohano voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 863-12) recommending that H.B. No. 2482, as amended in HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2482, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 865-12) recommending that H.B. No. 2250, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2250, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I'm rising to cast a no vote, and to deliver short remarks. Thank you. This bill is relating to the emergency environmental workforce which is a very noble project and noble idea. The workforce would do watershed restoration work, but the real problem is, it's funded from the Department of Land and Natural Resources and that is a chronically underfunded department. I think you've all seen me hold up a pie chart at various times when we talk about the budget, and you look for the sliver that is the Department of Land and Natural Resources' funding. You have to take a magnifying glass. So here we're taking money from that Department to do the work.

"I support the objective, the workforce to do the watershed restoration work, and I ask the Finance Chair to look at a way that it can be funded out of the general fund instead of from the Department's budget. Thank you."

Representative Morikawa rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Kawakami rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Kawakami's written remarks are as follows:

"This measure does two very important things. One, it takes approximately 500 to 750 residents of Hawaii who are unemployed due to the downturn in the economy and puts them back to work. Through public and private partnerships with agencies like the University of Hawaii, the Department of Agriculture, the Department of Land and Natural Resources, and the Invasive Species Committee of Hawaii, these emergency environmental workers will supplement the State's current initiatives to protect and strengthen our watersheds and eradicate invasive species. It provides short-term relief through six month contracts.

"The second, and perhaps arguably the most important achievement of this measure, is that it takes 500 to 750 blue and white collar workers and immerses them into the heart of our watersheds. What better way to build advocacy than to get people's hands back into the land that gives us life.

"A recent experience gave me, and my wife, the opportunity to immerse ourselves into the heart of the watersheds on Kauai. Prior to this experience my only knowledge of our watershed is what I learned from presentations or from documentaries. But there was still a huge disconnect.

After Alan Rictow and Jim Hobbs graciously escorted us in, we were immediately in awe of the beauty and strength that spills from our *aina*. This experience turned me from an individual who had limited knowledge of the importance of our watersheds, into an advocate, into a believer. Can you imagine the impact that this measure would have on the 500 to 750 emergency environmental workers? They would be coming down the mountain with this knowledge and passion and spreading it to their *keiki*, to their husbands and wives, to their *Ohana*.

"If we want to protect something, I believe that the most effective means is to give people the first hand experience of the strength, beauty and yet frailty of our *aina*. If we can get people to love it, they will protect it."

Representative Chong rose to speak in support of the measure, stating:

"In support, Mr. Speaker. And just as a clarification for the Members. This includes matching funds. Actually, it includes partial special funding, and it also includes general fund matches which the special funded programs would not normally get. Thank you."

Representative Takai rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Nakashima rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Pine rose in support of the measure with reservations and asked that the remarks of Representative Thielen be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative C. Lee rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Ching rose in support of the measure with reservations and asked that the remarks of Representative Thielen be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Marumoto rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, I'd like to have the words of the Kailua Representative incorporated as my own. I will vote with reservations. I am concerned about the loss of federal funds."

Representative Keith-Agaran rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Belatti rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Saiki rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Wooley rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2250, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE EMERGENCY ENVIRONMENTAL WORKFORCE," passed Third Reading by a vote of 47 ayes to 4 noes, with Representatives Fontaine, Hanohano, Riviere and Thielen voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 867-12) recommending that H.B. No. 2793, as amended in HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2793, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Kawakami rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Kawakami's written remarks are as follows:

"This measure will ensure that our ocean users will to continue to have a voice in the rulemaking process. Ocean and marine resources are very specialized and require the voices that have the knowledge to represent a vast community of ocean users."

Representative Thielen rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Thielen's written remarks are as follows:

"Thank you, Mr. Speaker. At this time, I rise with reservations on HB 2793 HD1, Relating to Board of Land and Natural Resources. I have three primary concerns with adding four members to the Board of Land and Natural Resources as specified in this bill.

"My first concern is in regards to establishing quorum at board meetings. The bill states that these four new members "may vote only on issues related to ocean resources" and that these new members would not be considered in determining quorum and majority for all other issues. However, given the broad characterization of "ocean resources," potentially every agenda may include items concerning "ocean resources." In fact, every BLNR meeting of this year (up to March 9, 2012) had at least one agenda item in the following categories: conservation and coastal lands, aquatic resources, boating and ocean recreation.<sup>1</sup> New board members would likely be needed to attend all meetings in order to establish quorum on those issues.

"My second concern is the potential for an off-balance make-up of the board. Shorelines and ocean resources management requires balance among recreation, commercial, and cultural approaches, as it can be complicated for experts in each area to make decisions alone without advice from other consultants. Supporters of the bill note that none of the current seven BLNR members has a marine background. However, adding these four new members to a board of seven would, according to DLNR, over-emphasize fishery science and industry. While fishery resources are important to the State of Hawaii, the Board has the responsibility of evaluating all natural resource issues.

"Lastly, I am concerned that adding board members for specific purposes sets a bad precedent. The Board's current mission is to "Enhance, protect, conserve and manage Hawaii's unique and limited resources held in public trust for current and future generations of visitors and the people of Hawaii in partnership with others from the public and private sectors." This includes all natural resources. Increasing the board membership by over 50% for fishery and marine resources could set the precedent of stakeholders petitioning the board to add members for other specific interests—already, the Ocean Tourism Coalition has requested representation on the Board if this bill passes.

"I appreciate the opportunity to express my concerns and to voice my opposition to this measure. Thank you, Mr. Speaker."

<sup>1</sup> <http://hawaii.gov/dlnr/chair/meeting>

Representative Keith-Agaran rose in opposition to the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I oppose HB 2793 HD1. All of Hawaii's natural resources and heritage are worthy of protection and proper stewardship. However, adding four members to the Board of Land and Natural Resources simply for determining quorum and majorities only on issues relating to ocean resources and limiting their votes only to ocean resources issues is a strained and unwieldy way of protecting Hawaii's near shore waters and ocean resources. The law presently provides for a seven member Board of Land and Natural Resources who bring various life, work and educational experiences and knowledge to this important body. In my experience, members of the Land Board put in a tremendous amount

of time in this volunteer position and devote quite a bit of time and effort in carrying out their solemn responsibilities. And the seven members of the Board of Land and Natural Resources have a tremendous responsibility to address issues relating to Hawaii's natural environment, and to:

manage, administer, and exercise control over public lands, the water resources, ocean waters, navigable streams, coastal areas (excluding commercial harbor areas), and minerals and all other interests therein and exercise such powers of disposition thereof as may be authorized by law [and] shall also manage and administer the state parks, historical sites, forests, forest reserves, aquatic life, aquatic life sanctuaries, public fishing areas, boating, ocean recreation, coastal programs, wildlife, wildlife sanctuaries, game management areas, public hunting areas, natural area reserves, and other functions assigned by law.

Haw. Rev. Stat. §171-3. Hawaii Revised Statutes section 171-4 presently provides criteria for members and includes consideration of knowledge in marine biology and experience in aquatic resources management. The Board Members are supported by professional and trained staff who can and do provide necessary expertise on issues that come before them for decision making.

"I am afraid that this bill will severely hamper the ability of the department and the Board to act as efficient and effective stewards of Hawaii's natural resources. If passed, this bill will require at least six member majority on any issues involving Hawaii's near shore waters and ocean resources, which may effectively block important changes recommended by the in-house resource managers."

Representative Pine rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative C. Lee rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Belatti rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Wooley rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Ito rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ito's written remarks are as follows:

"Mr. Speaker, I rise in support of HSCR 867-12, HB2793, HD1. Mr. Speaker, this measure adds four members to the Board of Land and Natural Resources who shall be considered in determining quorum and majority only on issues relating to ocean resources and may vote only on ocean resource issues.

"Mr. Speaker, during testimony before the House Committees on Water, Land & Ocean Resources; Hawaiian Affairs; and Finance; it had been stated that the Department of Land and Natural Resources will consolidate the Division of Aquatic Resources into the Division of Forestry and Wildlife. Historically, the Division of Aquatic Resources has been a "behind the scenes" steward of our aquatic resources. By consolidating the Division of Aquatic Resources into the Division of Forestry and Wildlife the aquatic resources sector will lose its effectiveness. Additionally, there is no statutory requirement that a present Board member be experienced or have a working knowledge in ocean resources; such as fishery science, commercial fisheries, recreational fisheries, seafood industry, or maritime industries. It has long been advocated that our near-shore marine resources and near-shore fisheries need to be better represented at the various policy making levels. Marine resource issues require a specialized understanding and are dependent on ever changing conditions.

"Mr. Speaker, over the years fishing rules and regulations have generally been initiated and adopted through two venues: 1) legislatively and 2)

Chapter 91 Administrative rulemaking process. During the Chapter 91 rule making process the proposed rules change is reviewed by the Board of Land and Natural Resources for adoption. Without a Division of Aquatic Resources or a Board member experienced or knowledgeable in ocean resources, there is no one to advocate for our ocean resources.

"Mr. Speaker, during hearings it was stated that adding four new members representing the fisheries, fisheries science, and seafood/marine industries specialties to the Board to vote only on ocean resource issues that came before the board would create an off-balanced make-up of the board. Far from it. Presently, there is no representation of the above mentioned specialties serving on the Board nor are they required to be represented on the Board. Where is the off-balance make-up of the Board? An off-balanced make-up of the Board occurs now, when there is no representation or required representation.

"Mr. Speaker, this measure is not to place a burden on the Department of Land and Natural Resources or the Board of Land and Natural Resources. This measure is really to help the Department and Board of Land and Natural Resources do a better job of managing Hawaii's precious ocean resources.

"Mr. Speaker, for these reasons I ask my colleagues to please support HSCR867-12, HB2793, HD1."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2793, HD 1, entitled: "A BILL FOR AN ACT RELATING TO BOARD OF LAND AND NATURAL RESOURCES," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Keith-Agaran voting no.

At 12:23 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 1875, HD 2  
H.B. No. 2452, HD 2  
H.B. No. 2476, HD 1  
H.B. No. 2338, HD 2  
H.B. No. 2482, HD 1  
H.B. No. 2250, HD 2  
H.B. No. 2793, HD 1

At this time, the Chair announced:

"Members of the House, we will take a 45 minute recess. We will reconvene at 1:00 to continue with our deliberations and debate."

At 12:24 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:07 o'clock p.m., with Vice Speaker Manahan presiding.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 872-12) recommending that H.B. No. 2682, HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2682, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Awana rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2682, HD 1, entitled: "A BILL FOR AN ACT RELATING TO COMMERCIAL ACTIVITIES ON

OCEAN WATERS," passed Third Reading by a vote of 49 ayes, with Representatives Cabanilla and Takumi being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 873-12) recommending that H.B. No. 2398, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2398, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Jordan rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2398, HD 2, entitled: "A BILL FOR AN ACT RELATING TO LAND USE," passed Third Reading by a vote of 48 ayes to 1 no, with Representative Hanohano voting no, and with Representatives Cabanilla and Takumi being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 875-12) recommending that H.B. No. 2540, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2540, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Thielen rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. With reservations because of the cost to the childcare providers, and remarks to the Journal."

Representative Thielen's written remarks are as follows:

"Thank you, Mr. Speaker. I rise with reservations to HB 2540 HD2, Relating to Fees for Child Care Licensing and Registration.

"This bill establishes a fee for licensing and certification of those wishing to start or continue a child-care business. Possibly the most-affected by this measure will be small startup childcare businesses, trying to get on their feet. In these difficult times, we should be aiming to foster small business growth, not suffocating it with more fees in an already capital-starved market.

"In addition, the fees would be deposited into a new special fund whose stated purpose is just ambiguous enough to not be trusted.

"Furthermore, Mr. Speaker, the bill states that the Department of Human Services will be allowed to charge "reasonable fees" for these licenses and certificates. Quite honestly, I see nothing at all "reasonable" about creating a wholly unnecessary new special fund on the backs of small businesses. These are businesses that could potentially stimulate our ailing economy, if we would only let them.

"For these reasons, I have reservations about this bill."

Representative Marumoto rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Ward rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2540, HD 2, entitled: "A BILL FOR AN ACT RELATING TO FEES FOR CHILD CARE LICENSING AND REGISTRATION," passed Third Reading by a vote of 48 ayes to 1 no, with Representative Marumoto voting no, and with Representatives Cabanilla and Takumi being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 877-12) recommending that H.B. No. 1689, HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1689, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Keith-Agaran rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Keith-Agaran's written remarks are as follows:

"Honorable Speaker, I support this measure which is intended to reduce Medicaid cost for long-term care by establishing the Long-Term Care Partnership Program, and encourages individuals to purchase long-term care partnership insurance policies.

"This program has been adopted and implemented already in other states, and removes the false choice of Hawaii residents between quality long term health care and ensuring their families do not lose the fruits of a lifetime of work. The Department of Human Services will need to seek federal waivers and approvals, and also seek appropriate amendments to its Medicaid rules and State plan. This bill contains built in incentives, asset protection, and expands upon the allowable Medicaid spend down policy.

"This bill specifies that the long term care insurance plan shall be the primary payer of long term costs and that Medicaid shall be the secondary payer. The program will then delay and/or eliminates dependence upon the Medicaid program."

Representative Nakashima rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Nakashima's written remarks are as follows:

"This measure implements the long-term care partnership program, allowing individuals to qualify for Medicaid coverage for continued long-term care prior to exhausting their assets. This will provide an additional tool that will be available to residents and families who are faced with trying to deal with the challenges that are presented by taking responsibility for the care of loved ones and the elderly."

Representative Jordan rose in opposition to the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Jordan's written remarks are as follows:

"I would like to express my opposition to the Long Term Care Partnership Program as it is designed to protect assets of the middle-and upper middle-class populations while still qualifying for the Medicaid program without having to "spend-down" their assets to Medicaid levels. Medicaid was never designed as an asset-protecting program and the long term care partnership policies will very possibly take Medicaid dollars from the desperately needy clients who wholly depend on Medicaid.

"Private Insurance dollars are substituted for private asset dollars which creates a "dollar-for-dollar" scenario, i.e., \$150,000 policy = \$150,000 in private assets saved with Medicaid eligibility protected if all other eligibility requirements are met. Therefore, dependence on Medicaid for long term care financing continues.

"Hawaii's Long Term Care Commission, as noted in its final report to the 2012 Legislative Session, carefully considered this option but ultimately rejected it. There is no proof available from states which have adopted this option that this option encourages the increase purchase of long-term care insurance needed for budget neutrality, and without increased participation, the program would increase Medicaid dollars. For some citizens, the LTC partnership policies are in opposition to the core functions and philosophy of Medicaid, which is a means tested welfare program as opposed to a program which would protect the assets of the

middle-class and upper-income clients. (GAO, 2007 and LTC Commission, Final Report, 2012).

"The consumer is also at risk of losing all monies paid into the policies if they miss even one monthly premium causing default and cancellation thereby enriching the private insurance companies while the consumer suffers financial loss.

"The GAO in 2008 focused on the increased need for robust oversight of these types of policies regarding rate-setting in addition to the need for increased oversight to protect the vulnerable consumer from potential financial exploitation and predatory practices of private insurance companies."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1689, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LONG-TERM CARE," passed Third Reading by a vote of 48 ayes to 1 no, with Representative Jordan voting no, and with Representatives Cabanilla and Takumi being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 879-12) recommending that H.B. No. 2290, HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2290, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2290, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILDREN AND YOUTH," passed Third Reading by a vote of 49 ayes, with Representatives Cabanilla and Takumi being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 880-12) recommending that H.B. No. 2448, HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2448, HD 2, entitled: "A BILL FOR AN ACT RELATING TO MEDICAID," passed Third Reading by a vote of 49 ayes, with Representatives Cabanilla and Takumi being excused.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 889-12) recommending that H.B. No. 2656, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2656, HD 2, entitled: "A BILL FOR AN ACT RELATING TO AIR POLLUTION CONTROL," passed Third Reading by a vote of 49 ayes, with Representatives Cabanilla and Takumi being excused.

At 1:12 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2682, HD 1  
 H.B. No. 2398, HD 2  
 H.B. No. 2540, HD 2  
 H.B. No. 1689, HD 1  
 H.B. No. 2290, HD 1  
 H.B. No. 2448, HD 2  
 H.B. No. 2656, HD 2

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 890-12) recommending that H.B. No. 2690, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2690, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I'm rising to vote against another exemption bill and this one is relating to geothermal resources. If I may explain why. Thank you, Mr. Speaker. First of all, if people think back, if they were alive then, to what went on in the past when geothermal development was attempted. This was probably about 30 years ago or so. And what happened was it was stopped dead in its tracks, because the developers didn't listen to the community. They didn't develop a community process where people worked together through the difficulties. I think geothermal development is excellent. I think it's a great idea to move ahead with that, but I don't believe that we should streamline that process. When you do that, then you end up with stumbling blocks and you end up with projects being stopped. This is too important to the energy self-sufficiency of the Big Island to do it wrong.

"I think that House Bill 2690 does it wrong. When you take a look at what actually could happen under that bill, it could allow developers to dig thousands of feet through aquifers without, as I say from Sierra Club, without consideration of the quality of the drinking water, the potential for contamination or the impacts of a blowout in the surrounding areas. I think Sierra Club was correct with those statements of concern.

"There's something called laser drilling. Not being an engineer, I don't exactly know how that works. But you need to have those things looked at carefully, and not do something that would actually exempt or streamline a process. So I think this is the wrong way to go, as it did with some other projects that we know of in this Body when we tried to streamline or exempt things. Ultimately those projects were stopped dead. So I would say, don't move ahead with this idea. Let's do it the correct way, and develop it in consultation with the communities. We can have the Big Island be the leader in using renewable energy and getting off fossil fuel. Thank you."

Representative C. Lee rose to speak in support of the measure with reservations, stating:

"I'm in strong support of geothermal. I do have some concerns with the bill though and I just wanted to vote with reservations."

Representative Coffman rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In strong support with some comments here. Thank you. I just want to clarify a couple things here. First of all, the bill separates exploration from development. Development will go through all of the environmental requirements in this State. Exploration is really a scientific process. This bill was presented by the DLNR, the agency that's responsible for doing this work, and they have extensive rules about drilling wells, whether it's for water or anything else in the State, and to protect our aquifers. So this bill in no way provides any harm to our State."

Representative Wooley rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. With reservations. I just want to make a short comment. We're looking at a lot of exemption bills here, and I think that we have cut government services so much in the last three years that I think we need to be a little more careful as we look at these possible exemptions. We don't have anybody to look out for our public safety. I'd also like to insert written comments."

Representative Wooley's written remarks are as follows:

"I have serious reservations about this bill. Geothermal has great potential as renewable energy that is locally made. However, exemptions to allow projects to move forward without proper analysis are potentially dangerous and dramatically increase the risk of harm to people and the environment. I have yet to see any evidence that the proposed exemptions

will allow for the safe exploration and development of geothermal energy. This bill goes too far too soon."

Representative Ching rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I unfortunately rise, and I feel so sad to vote no on this wonderful chance at geothermal. But it's just that I would like to have the words of the Representative from Kailua entered as my own. I don't think there's only one route to other problems. There may be a myriad of routes. There may be different ways to do it. We should always try to do it right. Geothermal, I wish it had been done even longer ago. I was very happy to be able to visit Mauna Kea. And I'm not sure if everyone knows, but King Kalakaua was a supporter of geothermal. And you Mr. Speaker, I'm sure, are well aware of how geothermal does supply so much of the Philippines' energy, doesn't it. So it could have been done, and it should have been done even earlier. I hope it's done. I just hope it's done the right way. Thank you, Mr. Speaker."

Representative Awana rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Awana's written remarks are as follows:

"Mr. Speaker, I stand with reservations. As we move forward in looking for opportunities for alternative forms of energy for our island state, we must not throw caution to the wind when handling our most precious resource – water. As I understand, exploration of geothermal may in fact cause harm to our underground water resources and for this reason, I stand in reservations. Thank you, Mr. Speaker."

Representative Nakashima rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In support. Mr. Speaker, the Big Island Geothermal Task Force has been working diligently for the last several years to study and ensure the prudent application of geothermal resources on the Big Island. I think that they have proposed that geothermal become the base source of energy on Hawaii Island and I would like to continue to support that. If I may submit additional comments. Thank you."

Representative Nakashima's written remarks are as follows:

"The Big Island Geothermal Task Force has been working diligently to ensure the prudent application of geothermal resources. They have proposed that geothermal become the base energy resource on Hawaii Island and I would like to support these efforts."

"Numerous discussions have been held with the various communities and interests on the Big Island to ensure education, understanding and acceptance of this effort. This bill provides for streamlining the process of geothermal resource exploration and identification. If we are to move forward on becoming energy self-sufficient, it will require that we develop base energies that would support this goal. This will eliminate unnecessary delays and move the process of discovery and identification forward. Once it is determined that a site is suitable for geothermal energy production, all necessary permits and studies will still be required before the development and production of these resources may begin."

Representative McKelvey rose in support of the measure, stating:

"In support, Mr. Speaker. And I would like the words of the good Representative of the Big Island entered into the record as my own. Thank you," and the Chair "so ordered." (By reference only.)

Representative Riviere rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Pine rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Riviere rose to speak in opposition to the measure, stating:

"Earlier I had stated that I was with reservations. But on Stand. Com. No. 890, I'll make that a no vote. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2690, HD 2, entitled: "A BILL FOR AN ACT RELATING TO GEOTHERMAL RESOURCES," passed Third Reading by a vote of 46 ayes to 5 noes, with Representatives Ching, Fontaine, Hanohano, Riviere and Thielen voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 891-12) recommending that H.B. No. 2145, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2145, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. Here's another no vote and I'd like to explain why. Thank you, Mr. Speaker what this bill does is establish the policy of this State to delineate key economic sectors of importance for economic diversification in Hawaii. Then it says it's the intent of this State to facilitate completion of these projects. You turn to page 2 of the bill and one of those projects is the interconnectivity between Oahu and the Neighbor Islands, in other words reads, undersea cable.

"I think there's a great deal of concern in this Body from a number of Members, about that undersea cable; about the cost, the wisdom of doing that, and the wisdom of burdening certain Neighbor Islands to be the energy supplier for Oahu, whether or not that is morally correct to do.

"The second item in the bill that says that it's our policy to go ahead and get this moving. It is the mass transit system, the steel on rail project of the City and County of Honolulu. I believe that's on page 3 of the bill. I believe there's concern in this Body from some of the Members about that as well. So by passing this bill, we're saying this is fine and those projects should go ahead. This is State policy and the State will work to make these go forward.

"I think that we had a lot of discussion about last year's cable bill and that bill did not move forward because of the concern from enough of the Members here that it just did not move forward. This is kind of an end run, saying we're going to go ahead with it. It's our State policy. This is one of the key projects. As to the rail, I think if you take a look at recent, I believe it was Civil Beat that did a poll and found out it was like 55% or more of the people on Oahu do not support the rail. And yet we as a Body are passing a bill that says it is State policy that that project's going to go forward, and we as a State are going to make it go forward.

"I don't think this makes sense to move this ahead. I know people want to move ahead with economic development, but I don't think the economic development should include targeting two very controversial projects, and ones that do not have the broad support in the community or in the affected islands where that cable could impact.

"So Mr. Speaker, I would ask that Members take a look at this. It may not make it through the Senate, which then I would be very glad. But if it does, we would obviously, or probably have a chance to reconsider our original approval. But right now I'm not joining in with the yes votes. I'm very definitely a no on this measure."

Representative Marumoto rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, I rise on this particular measure with grave reservations. In particular the two projects cited by the previous speaker are of great concern to me.

"650 Pohukaina St. Before we vote on it, I would like some more information on it. I have no idea whether it's a private project or State project. I think it's in here by virtue of the fact that there will be a transit

station going through it. But on the other hand, is the entire 65-story building a State project? I don't know. I don't know who the developers are. I don't know whether it's for residential, or business, or mixed use.

"So I'm just really puzzled why we would be citing this as an important project for us, when it does not have any permits yet. And it is over the height limit of 400 ft. for the City and County of Honolulu. Likewise for the train, we have no idea whether it's a go yet, and so it seems like this is very premature. I think we must do our homework before we even consider this. Thank you."

Representative Fontaine rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Ching rose in support of the measure with reservations and asked that the remarks of Representatives Thielen and Marumoto be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Ward rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Takai rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative C. Lee rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Wooley rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Wooley's written remarks are as follows:

"I question the wisdom of moving a bill like this, but it's worth additional discussion."

Representative Saiki rose and asked that the Clerk record a no vote for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2145, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT," passed Third Reading by a vote of 45 ayes to 6 noes, with Representatives Belatti, Hanohano, Luke, Riviere, Saiki and Thielen voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 892-12) recommending that H.B. No. 2246, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2246, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Wooley rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I stand with reservations. I just want to let Members know that Haiku is a very special valley, and I appreciate the intent of this bill. Unfortunately, there was a very important player not included in the very beginning. There's a Hawaii Immersion Charter School, and their testimony is in opposition, and it raises serious concerns. As well as DLNR and DHHL. They also have some serious concerns. I think there just needs to be a lot more dialogue before we can move forward with a bill this serious, where there will also be a lot of resources allocated."

Representative Ito rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ito's written remarks are as follows:

"Mr. Speaker, I rise in support of Stand. Com. Rep. No. 892-12, H.B. 2246 HD2. Mr. Speaker, the purpose of this bill is to preserve and protect Ha'iku Valley, a site of cultural and natural significance, by establishing the Ha'iku Valley Cultural Preserve Commission to oversee the Ha'iku Valley Cultural Preserve.

"During the legislative hearings all those who testified in favor of this measure indicated that that Ha'iku Valley is an important cultural resource in Hawaii and that establishing the Ha'iku Valley Cultural Preserve Commission will greatly assist in its protection for future generations.

"Mr. Speaker, I further learned that Ha'iku Valley, one of nine *ahupua'a* surrounding Kaneohe Bay, served as a hospital for the *moku* of *Ko'olaupoko*. It was here that the *kahuna la'au lapa'au* lived and grew their medicinal herbs, which they mixed with plants from the sea to make medicine. People came from throughout the area to seek help from these Hawaiian healers. There are *na kupuna* living today, *kupa'aina* (native) to Ha'iku Valley, who still remember going into the upper reaches of the valley to collect herbs for medicines for their family *kahuna la'au lapa'au*.

"Many burials can be found today in Ha'iku Valley, as well as two major *heiau* and other lesser known sacred places. The two most prominent *heiau* are Kanehekili or Kahekili – *heiau*, a large site just outside the H-3 tunnel, dedicated to the Hawaiian god of thunder and lightning. Nearby is *Kane a me Kanaloa Heiau*, honoring the two prominent gods – Kane and Kanaloa – who brought forth spring waters throughout the islands with the help of their digging sticks, or *o'o*. There are Hawaiian families today who still continue to visit and care for their family graveyards, including burials located at *Kane a me Kanaloa Heiau*.

"Mr. Speaker, Ha'iku Valley also has a modern day historic significance as well. In the early 1940s the Navy chose this area to locate a top-secret radar station. In the 1950s, the area was converted to an Omega Transmission Station. Due to its unique bowl-like shape, and high Pali around it, the valley played an important part in strategic communications during the war and decades after. The Omega Station was one of only eight in the world that supported communications and coordinates among aircraft and ships at sea.

"Part of Ha'iku Valley today, Mr. Speaker, is home to Ke Kula 'o Samuel M. Kamakau Laboratory Public Charter School, where the students are educated on the importance of the valley.

"Mr. Speaker, whether in ancient or modern times, Ha'iku Valley has always been there for the good of the people. We need to preserve this valley to honor both its Hawaiian and modern-day historical significance.

"Mr. Speaker, for these reasons I ask my colleagues to support this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2246, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HAIKU VALLEY," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 894-12) recommending that H.B. No. 1758, HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1758, HD 1, entitled: "A BILL FOR AN ACT RELATING TO BUSINESS DEVELOPMENT IN HAWAII," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 895-12) recommending that H.B. No. 2267, HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2267, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST CLEARCOM,



INC., IN THE DEVELOPMENT OF BROADBAND INFRASTRUCTURE IN HAWAII," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Hanohano voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 898-12) recommending that H.B. No. 2529, as amended in HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2529, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS," passed Third Reading by a vote of 51 ayes.

At 1:30 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2690, HD 2  
H.B. No. 2145, HD 2  
H.B. No. 2246, HD 2  
H.B. No. 1758, HD 1  
H.B. No. 2267, HD 1  
H.B. No. 2529, HD 1

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 899-12) recommending that H.B. No. 2806, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2806, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Hanohano rose to speak in support of the measure, stating:

*"Kako'o loa."*

Representative Hanohano provided the following translation:

In strong support.

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2806, HD 2, entitled: "A BILL FOR AN ACT RELATING TO NATIVE HAWAIIANS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 900-12) recommending that H.B. No. 2153, HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2153, HD 1, pass Third Reading, seconded by Representative Evans.

Representative C. Lee rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I rise in opposition. I respect what we're trying to do here, and I think it's important that our State find new ways to finance our infrastructure, but I do have concerns with this proposal. While making residents pay for tolls for new roads and highways may be something that we should consider, this bill goes a full step further and will empower the Department of Transportation to assess tolls on existing roads and highways if an alternative free route exists. What this could mean though, is that residents in Windward Oahu could be charged for driving over the Pali while driving to work instead of taking the Likelike. Or residents commuting from Ewa could be charged for using the H-1 rather than the Nimitz Highway.

"We are a state that as always strived to provide for the general welfare and common good without regard to one's ability to pay. Providing free access to our beaches, our natural resources and of course services such as

guaranteed education and basic transportation allows us to justify the taxes that Hawaii already levies. Like it or not, and wisely or not, Hawaii has purposely built this transportation infrastructure around the automobile, and today the average person relies on their cars to get around. We cannot shift paradigm so abruptly and begin to charge for transportation which has become a basic necessity when so many have little or other option to get to work each day.

"More than anything, toll roads are regressive. They place the burden of paying for infrastructure on those who can least afford to pay. Across the nation and right here in Hawaii wealthier individuals are less reliant on daily commutes than the average middle-class family that is often forced to commute great distances to work. This means lower and middle-class families end up paying disproportionately more than the wealthy for public infrastructure that's designed for everyone. In fact, studies by the Department of Transportation in the State of Washington find that tolls can place a burden four times as large on families below the median income than those families who are above it.

"Until the day when the average person is no longer forced to make long commutes to work or there are alternate forms of transportation that can be relied upon, the cost of building and maintaining roads and highways must be shared equally by everyone. It's why we already ask everyone to pay their fair share in taxes. And it's why regressive toll roads cannot be the answer to funding a better transportation future. Thank you, Mr. Speaker."

Representative Fontaine rose in support of the measure with reservations and asked that the remarks of Representative C. Lee be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Ching rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I rise in opposition. Mr. Speaker, it was eloquently said by the Representative of Lanikai, and I would like his words entered in the record as my own. But I'd like to add a quote from the Chamber of Commerce of Hawaii and the Building Industry Association. It would be a rational argument if there were other alternatives available to commuters in Hawaii aside from driving a car, however in most areas the motor vehicle is your only option. Imposing tolls would essentially create more congestion and gridlock on our heavily used roads right now.

"I've said it before Mr. Speaker, that we're islands, and there is a lot of the stress of living in a small place. A very small place. Very dense. Actually one of the densest states in the United States. We need to get along with each other. You know, get along. The thing is that toll roads are going to just cause more congestion, and one of the biggest contributions to stress is traffic. So you're going to have people stop. They're going to have to be looking for their money. And it's going to be, excuse me, but it's going to be hell. It certainly isn't going to be the vision, the vision of a beautiful, healthy, Aloha State. Toll roads do not contribute to that vision, and I think that's what our people want. I think that's why people want to live here and take such a cut in pay from living elsewhere.

"But additionally, to add to what the Representative from Lanikai said, they have examples on the mainland where it started at \$2.50, but because it couldn't, that \$2.50, because it could not pay for itself, it was raised to \$8. So this again is an additional stress to our people. It's a tax and it's not the only way to do these things.

"Actually, we just need to grow our economy, be more business friendly and add to more ideas that can make income and revenue for the State that play to our own strengths, instead of trying to consistently follow mainland ideas that may not be the perfect fit for Hawaii, or for our people's health and our people's welfare. And so for the people, I don't think toll roads is the only answer. Thank you, Mr. Speaker."

Representative Takai rose in opposition to the measure and asked that the remarks of Representative C. Lee be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Souki rose to speak in support of the measure, stating:

"Thank you very much, Mr. Speaker and Members. I speak very strongly for toll roads. The toll road is just another tool for the Department of Transportation to have at their disposal, if at some time in the future there is no other alternative for building new highways. And as we have just witnessed and has just been stated by the Representative from Kailua, it looks like the rail might be in trouble. The poll numbers are not very good. I don't know how accurate the poll is, but as to that particular poll, it doesn't look good.

"So now we continue to increase our neighborhoods by building more houses. Ho'opili is probably going to have 3 to 5 thousand homes there, and they're going to have additional road blocks. The University is going to build sometime and that area there is going to create more road blocks also. The alternative, and of course the feds have not been very nice to the highway people. They have not passed a bill yet. And when they do pass a bill, we can be expecting less and less funds to build. So where do we go from here? The only alternative then is to possibly look at some toll road if it comes to that.

"We're not saying it's going to be right away. You're going to need to have community input before a toll road is built. The partner who may want to invest with the State or by themselves would have to see whether it would be worth their while. It may not be worth their while financially. This bill provides that there must be an alternate route before a toll road is built so that would protect you from forcing you to use the toll road. You could continue to use the regular route. In fact, in that case, the regular route would have probably less traffic, because those that are in a hurry, and we all seem to want to speed, they would want to use the toll road, unless they get some cameras over there too.

"But anyway, I believe for the long-term we need to look at this. It's not for the short-term. It's a tool that we are going to have. But what we know is going to happen, we know that the federal dollars are going to be less and less. We know that growth is going to continue, especially on the Westside, which already have bottlenecks. Unless we're going to be moving it to the Windward side. We can have growth over there. There's a lot of room for growth. Maybe we should change some of the plans for the Windward area. Maybe in Kailua. But that's all Mr. Chairman. I'm sorry for joshing. I just want to bring some levity into this very gloomy discussion that we are in now. Thank you."

Representative Cabanilla rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I am in favor of the measure. I realize it's not a very popular measure because it involves paying a fee to use the highways. If you live in my neighborhood, the Oahu Metropolitan Planning Organization 4 years ago said, that not unless there's an alternative to come into town, the commute time during heavy traffic would be two and a half hours. That is difficult to swallow Mr. Speaker, because time is money. I would not want to subject people to traveling to the airport or to town for two and half hours.

"So if I'm a Representative in Kailua, or Kaneohe, on the other side of town, I'd probably be giving the same speeches that they're giving. But since my community is the one that's impacted by this, I have to look outside the box at ways that can relieve our people from congestion. So far, there is none. We talk about the rail. We don't know where it's going. I hope that the rail will solve that congestion. Meanwhile, I have no option but to support the Chair of Transportation in his thinking of solving this problem outside the box. We cannot rely on just one alternative that we don't know whether it's going to deliver or not. We need relief on the Westside. We don't want to raise taxes to pay for new roads, or to improve the budget of the Department of Transportation so we can provide federal matching funds. We don't want to do that.

"There's rhetoric about improving our economy and growing our own infrastructure, and funding for it. Did you see anybody in this Chamber say let's raise taxes so we can have some relief for the people on the Leeward side? No, Mr. Speaker. In fact they will vote more projects, housing developments that would increase congestion. So there's an issue of parity, Mr. Speaker, and since the people on the Leeward side are impacted by traffic, I would like to advocate that those toll roads be on the other side of

town where there are people who can pay more for toll roads. Thank you, Mr. Speaker."

Representative Morikawa rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Takai rose to respond, stating:

"Thank you, Mr. Speaker. In opposition, still. I'd like to speak on this a little bit. The previous Representative, I understand her concerns. The communities that she represents are heavily impacted by traffic, but I only wish that they would consider where all this traffic is coming through. The communities of Aiea and Pearl City are very special to us. We actually call our community the Heart of Oahu. And those of you who don't believe that need to understand that the H-3, H-2 and H-1 all come through our communities. And if the H's or the freeway system are the arteries, we're the heart. It doesn't make sense to me to take a look at a proposal like this to move people from the Westside to the airport, or to town without taking into consideration the communities that you'll be impacting.

"The fact remains that I don't think we can build ourselves out of this crisis. Those of you familiar with the H-1 project going westbound over Waimalu Valley a few years ago, may recall that, that particular project was less than a mile long and cost \$67 million. \$67 million for a mile-long stretch of concrete. When you talk about a toll road, I'm assuming you're going to go from west to east, west to east right through or above Aiea, Pearl City. You're talking about miles and miles of concrete. And again I say, we cannot build ourselves out of this mess. And I do not believe that toll roads are the solution."

Representative Har rose in support of the measure with reservations and asked that her written remarks, and the remarks of Representatives C. Lee and Ching be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Har's written remarks are as follows:

"Mr. Speaker, I rise with reservations on Standing Committee Report 900-12, House Bill 2153, House Draft 1. Once again we are dealing with yet another bill for the establishment of toll roads. I have actually given Floor speeches on House Bill 139, House Draft 2 from the 2009 Legislative Session and on House Bill 70 from the 2007 Legislative Session. The current bill at hand, House Bill 2153, House Draft 1, authorizes the Director of Transportation to impose toll charges on existing highways or construct new toll roads, and provides for agreement with private entities to construct, operate, and mandate toll roads. While I am not adverse to the idea of the Department of Transportation entering into a public-private partnership for the development and operation of roads in Hawaii, I have reservations to the imposition of a toll to be paid by residents of the Leeward coast for use of these roads. Mr. Speaker, I base my reservations on three reasons.

"First, the opening paragraph of HB 2153, HD1 (page 1, lines 3-6) states: "... the operation of toll roads has contributed to controlling the amount of motor vehicle traffic, thus reducing traffic congestion..." If the purpose of the bill is to alleviate traffic congestion on Hawaii's roadways, we need to get cars off the road. Constructing new toll roads will only encourage people to remain in their cars. Imposing toll roads would therefore only add more traffic congestion on heavily used roads.

"A second reason for my reservations to this bill is that this bill would allow for a lease of the toll road to the private entity. There is an inherent danger to privatizing roads because roads are for public use. Events that take place on one road undoubtedly affect other connecting and alternative routes. Toll prices, maintenance and safety standards, and congestion on a toll road therefore have a substantial impact on the number of cars using alternative routes, including local roads and mass transit. Decisions about how to operate and manage these roadways have the effect of creating traffic policy for the State. What may seem beneficial from a narrow profit perspective does not necessarily benefit transportation networks in general. As a result, public control of key toll roads is necessary to ensure coherent statewide transportation planning and policy making. Road privatization in other states shows that private operators' profit motives produce very

different management decisions than government would. Transportation policy should be made according to what is in the best interest of the public, not limited by what kinds of extra payments may have to be made to a private operator.

"A third reason for my reservations to this bill is because of the issue of geographic equity. Geographic equity refers to issues surrounding how one part of the State is treated compared to another. In the case of toll roads to be paid by only residents of the Leeward side, I submit that geographic equity is at hand. Proponents of this bill believe toll roads will work in Hawaii because they have been successful on the mainland. However, Hawaii is not like the mainland in that, on the mainland, those with higher incomes typically live outside of the urban core known as suburbia. Those with higher incomes generally live in the urban core while those in lower income brackets live in Central and West Oahu because the homes are more affordable. Moreover, there is no question when comparing the socio-economic demographics of those from East Honolulu or the Windward side from Leeward Oahu. As such, it is unreasonable to expect residents of the Leeward side to bear the burden of a toll because lower income residents would now be required to pay an additional fee if they wanted to find a faster way to get into town.

"If one person on this island is required to pay a toll, then all people living on this island should have to pay a toll. For these reasons, Mr. Speaker, I rise with strong reservations to HB 2153, HD 1."

Representative Rhoads rose to speak in opposition to the measure, stating:

"Mr. Speaker, in opposition. I'm opposed to both aspects of the bill: both building a new toll road, and also making current highways into toll roads. But I think the construction of a new toll road is especially problematic. I agree with many of the comments of the Representative from the Heart of Oahu. There's been a lot of concern about rail. It's going to be a blight to the skyline. It's going to ruin our environment in terms of the aesthetics. But I would submit that another freeway would be even more of a blight, and would carry a lot fewer people than rail, and it doesn't actually get the people where they need to go.

"Because once you've gone through the Heart of Oahu and you arrive in the 28th District, you cannot build a freeway that goes in to this building, or into any of the Downtown towers. You have to get off on the street level at some point. And while you may be able to get from the Ewa Plain quicker to the off-ramp into Downtown, there's going to be just an incredible traffic jam getting from the end of the freeway into the Downtown area or into Waikiki where most people work. So rail gets around that problem. Rail isn't affected by traffic, and I think rail is really the only viable alternative, but it's certainly a better alternative to a toll road. Mahalo."

Representative Yamane rose to speak in opposition to the measure, stating:

"Mr. Speaker, I'm standing in opposition. Just one brief comment, Mr. Speaker. Many of us, many middle-class families, in order to afford their own home, have to be pushed out to places where they can afford it, which is in Central Oahu and the Leeward Plains, Mr. Speaker. Making the toll road suggestion would then emphasize the issue of the haves and the have-nots. So if you're able to afford it, and can pay for this toll road, you'd be able to get to town quicker. If you are like the many struggling families here today who can't afford it, who are struggling to make ends meet, Mr. Speaker, then you'd be stuck on the roads and highways that they currently pay their taxes for. There's a social issue regarding the have and have-nots, and I don't think that's appropriate for this Legislature. Thank you."

Representative Souki rose to respond, stating:

"Thank you very much, Mr. Speaker and Members. First I'd like to say I hope that the rail makes it, too. If the rail makes it, we probably won't need a toll road, for a number of years anyway. I look forward to the rail making it, but unfortunately it seems the mood of the public is changing.

"Now let me put it this way. I've heard all the arguments about why we should not have toll, but I've never had any alternatives other than the toll in the event that the rail doesn't make it. And even if the rail does make it, it will be from Kapolei through Waipahu, and right down to the mall. That's all. Three-fourths of the people will have to stand up. Seniors won't be able to ride. I won't be able to ride it in a few years I would imagine. You might have to take me in my wheelchair or something.

"But when you look at these problems here, and we do have a highway problem because of the density of the traffic. You cannot make believe that there is not a problem. We have a problem where we have difficulty to move. It takes you hours to get from the Westside to here. And unfortunately, it seems the people from the Westside are the ones who don't want it the most. They're the ones who need it. But like a good parent, I'll do my best to, in spite of what the children want to see, that they get what is best for them. Thank you, very much."

Representative M. Lee rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, with reservations. I would like to say that I don't think toll roads are a good solution, particularly if you look at what happened in Chicago where a whole road was sold. Then the person that owned it kept jacking up the prices. And then if you look at what happened in Texas, there were many toll roads built to nowhere. Those kinds of things are very bad, but I can see having a toll road on perhaps the zipper lane, and then people could choose whether to use the zipper lane or to use the regular road. However, really, the best solution is the rail, including a spur to Mililani in the future. Thank you."

Representative Luke rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I rise to speak very briefly in opposition. But before I do that, if I could incorporate the words of the speaker from Lanikai as my own. You know all of us, as the Representative from Mililani stated, people live in certain areas sometimes not by choice, but because of the space issue, and because of the availability of housing and where they work. The unfortunate part of that is if you work in town, you have to take the freeway, or take the highway to get to your destination. And unfortunately in this situation, the way that we're trying to deal with the traffic in this situation, is for people who have no choice but to take the freeway and the highway to get to work or to school. It's penalizing people who live farther away as opposed to live close to town. It's a very unfair situation so I would like to vote no."

Representative Cullen rose in opposition to the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Cullen's written remarks are as follows:

"Mr. Speaker, I oppose this measure because it is a true example of the have's and have not's. Being that people from my District already pay more to drive due to the amount of fuel we use, by allowing people who can afford to go through and use the toll roads would be an unfair disadvantage to those who may not be able to afford it, inevitably causing them to go through traffic. It does not seem like a fair situation and I cannot support the measure at this time."

Representative Har rose in support of the measure with reservations and asked that the remarks of Representatives Takai, Rhoads and Luke also be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Ichiyama rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ichiyama's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in support. HB2153 authorizes the Director of Transportation to consider imposing toll charges on State highways or as a funding source to construct new toll roads. It also provides for public-private partnership agreements with non-government entities to construct, operate and maintain a potential toll road. It would

prohibit toll roads where there is no toll-free comparable alternative route available for use. Finally, it requires a comprehensive feasibility study prior to construction of any toll road project.

"I support this bill because it gives the Department of Transportation another tool to use to help address the serious traffic congestion on our State highways. As the gridlock in Congress continues, it is unlikely that federal highway funding will continue at prior levels. We need to be creative and carefully look at alternative means of financing our highway projects. HB2153 will help us to continue the discussion on how to continue to provide safe and efficient transportation infrastructure while being fiscally responsible. Thank you very much, Mr. Speaker."

Representative Giugni rose in opposition to the measure and asked that the remarks of Representative C. Lee be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Brower rose to speak in opposition to the measure, stating:

"Mr. Speaker, in opposition and just a brief comment. While I'm currently against this bill, I'm starting to warm up to the idea. Because as someone who chooses to live in town, and maybe have a dwelling not as nice as somewhere further away, why should people like me or my constituents pay for a service we don't use very much? And why not have those who do use the service pay more? This would likely reduce the number of cars on the road and could be used to ensure that vehicles on the road have insurance. I'm speaking to the part of the bill regarding toll charges on existing highways. Thank you."

Representative Awana rose in support of the measure with reservations and asked that her written remarks, and the remarks of Representatives C. Lee, M. Lee and Takai be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Awana's written remarks are as follows:

"Mr. Speaker, I stand with reservations and I ask that I be allowed to adopt the comments from the Representatives from Newtown, Lanikai and Mililani. As the Representative from the Waianae Coast, I have witnessed commuters leaving their homes as early as 4:00 a.m. each morning to drive into the urban core for employment. Mr. Speaker, currently providers are forced to spend time away from families, extra monies on fuel charges and now it is a travesty when we will create additional burdens to those residing in areas where travel is not a luxury.

"Mr. Speaker, driving is a necessity. I too can foresee that toll roads will widen the gap of the haves and those that are without. We can easily say that toll roads are an option. I beg to differ. The population continues to increase and, the lack of proper infrastructure continues to limit the ability for commuters to get to and from work. Financially penalizing hard working residents is not the way support our economy or the working class. For these reasons, I stand with reservations. Thank you, Mr. Speaker."

Representative Ching rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I am also rising in opposition. You know, I just wanted to clarify that I don't subscribe to, while I am proud of my own district and its strengths. Every district is unique. To dividing things by district, dividing people by category. It's also for all of the people, for all of the State of Hawaii. Are we retaining our quality of life for what we are known, our beauty? There aren't a lot of oil fields around. We have our beauty. That's what we rely on, and it's the health of our people. So when I speak to this issue, I have not a toll road I think, coming perhaps near me. But for all of the people and not just the districts against each other. It's for all of the people that we not have these kinds of solutions that deteriorate our quality of life. Thank you."

Representative Johanson rose in support of the measure with reservations and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Johanson's written remarks are as follows:

"I rise in support with reservations on HB 2153, Relating to Toll Roads. I agree that there is merit in the creation of toll roads, as they offer drivers a choice in planning their travel routes and offer alternatives to drivers. I do have some concerns, however, that toll roads may adversely impact the most financially vulnerable in our communities and State. The amendment made to this measure that would prohibit toll roads from being created in areas with no other means for commuting and require that an alternative public access road exist is a good amendment that somewhat mitigates my concerns. For these reasons, I support this measure with reservations."

Representative Pine rose to speak in support of the measure with reservations, stating:

"In support, with some reservations and a brief comment. I do have a lot of reservations that have already been stated. But what I see is that this possible project is for those more rural areas that for whatever reason, this Body has not given the roads that they had really wanted. And because of the cost structure, this gives those rural areas that don't have the same type of favor as other areas throughout the State, just the possibility to expand on new opportunities for them. And if I could have written comments too. Thank you."

Representative Pine's written remarks are as follows:

"Thank you, Mr. Speaker. I stand with reservations on this measure. This bill would authorize both toll charges on existing highways and the construction of new toll roads. I believe we should allow our communities to choose this option for themselves.

"Toll roads would significantly impact the routines and costs of living for drivers all around Hawaii. It should not be at the discretion of government to institute new tolls; rather, members of the communities around our State should have the ability to say that raising funds for roads is their priority."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2153, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TOLL ROADS," passed Third Reading by a vote of 35 ayes to 16 noes, with Representatives Aquino, Belatti, Brower, Ching, Coffman, Cullen, Giugni, Hanohano, C. Lee, Luke, Rhoads, Saiki, Takai, Thielen, Wooley and Yamane voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 901-12) recommending that H.B. No. 2800, as amended in HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2800, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," passed Third Reading by a vote of 47 ayes to 4 noes, with Representatives Fontaine, Hanohano, Thielen and Ward voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 902-12) recommending that H.B. No. 2485, HD 2, as amended in HD 3, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2485, HD 3, entitled: "A BILL FOR AN ACT RELATING TO ELECTRIC VEHICLE PARKING," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 903-12) recommending that H.B. No. 2613, as amended in HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2613, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. Here we go again. Here's another measure to exempt a department, this time the Department of Transportation from our land use and environmental laws. I'm rising to vote against the bill and to deliver some remarks. Thank you. Mr. Speaker if you take a look at that bill, House Bill 2613, and I'll read from the purpose clause. The purpose of the measure is to assist the Harbors Division of the Department of Transportation in more efficiently implementing needed maritime projects by exempting submerged lands within the State Commercial Harbor Systems from the permit and site plan approval requirements as they relate to submerged lands within a conservation district.

"Why on earth would we want to do that? I mean, that just is astounding to me, that as we sit here today in this Legislative Session, this is I think the fifth bill, possibly the sixth where we're exempting State projects and exempting entities from our environmental laws. This just doesn't make sense.

"The bill in its body says, all work involving submerged lands used for State commercial harbor purposes shall be exempt from any permitting and site plan approval requirements established under Chapter 183C for lands in a conservation district. It just doesn't make sense, Mr. Speaker. I don't know. I'm sorry, I mean, I keep looking back to what the Democrat Majority set forth thirty to forty years ago in our State, and what they set forth to say that we need to protect Hawaii's environment. They recognized the importance of Hawaii's environment. They didn't say, 'Oh well. It's okay to exempt this or exempt that.' They said there's a process you can go through. If the project can be legitimately done meeting that process, then it will go ahead. But to just sit here and with bill after bill saying we're going to gut our environmental laws and exempt things. I don't know where people are coming from. I mean, I don't think it's a generational thing.

"I know I was fighting the Department of Transportation on the stop H-3 case about thirty years ago. Actually that, I was involved in that case for 12 years, and it was because the Department of Transportation made bad decisions and didn't follow the environmental laws. So we stopped the project in the courts, and then our senior Senator went to congress and said to exempt H-3 from all laws, and Congress did.."

Representative Chong rose to a point of order, stating:

"Point of order Mr. Speaker. That has nothing to do with the bill. This is talking about harbors."

The Chair addressed Representative Thielen, stating:

"Representative Thielen, please confine your comments to ... "

Representative Thielen continued, stating:

"That wasn't an underwater project, but it should have been, Mr. Speaker. This one deals with the Department of Transportation and that is the department that is in this bill. So the Department itself has a history of not complying with environmental laws. So then we come up with this saying, 'Okay, we'll exempt them.' And it just does not make sense, Mr. Speaker.

"If there were some legitimate reason for health, safety or emergency, there are procedures for that. And those procedures even then can be followed. But to just do this wholesale for a department that has been known, well certainly for 30 years during those 12 years, we kept winning in the court because the Department of Transportation was violating environmental laws. Now we say 'you're exempt,' and I vote no."

Representative Souki rose to speak in support of the measure, stating:

"Yes, thank you. I speak very strongly in favor of this measure. And let me add that I believe the example that was given by the Representative of Kailua, that project took more than 12 years to work on. The project was

supposed to be finished in 3 years. I think that justifies all of these exemptions here.

"The road that was supposed to cost approximately \$350 million came up to over one billion and a half dollars. And it took many, many years. There was a suit every other square mile on the property. If the Representative from Kailua is proud of that, then we should be extremely careful, because other projects will follow a fate similar to what we had with H-3. It should not have lasted that long. It should have gone only for 3 years. They should have had to save the State a lot of money, but in fact we lost a lot of money there and yet, the party for the suit who made it possible for us to lose a lot of money is proud of that fact. I would be feeling very sorry for the State if I caused the State to lose so much money. Thank you, very much."

Representative Thielen rose to respond, stating:

"Thank you, Mr. Speaker. My second time, and I'll respond to the Chair of Transportation. Mr. Speaker, violating our strong environmental laws is no excuse. And I know the speaker would like to fast track all of the Department of Transportation's projects. Now maybe that's for next year's bill. DOT doesn't have to follow any environmental laws, and is exempt. That's basically what Senator Inouye did in Washington DC so H-3 could be built. Now are we going to take that kind of an action here to say, 'DOT, you're exempt. Don't worry about the environmental laws. They're a nuisance. They kind of get in the way when DOT wants to go ahead and do a project.'

"So there's a way to deal with that. Exempt them. Don't have them go through the normal process which if they follow it and did it correctly, generally their projects can go ahead. Unless they really would be devastating to our environment and then on the sake of your children and your children's children, I would hope then that the Department would be stopped. So I don't agree with the Transportation Chair at all. That environmental laws are inconvenient. I think environmental laws are there so we preserve what we're interested with for future generations."

Representative Souki rose to respond, stating:

"In rebuttal, Mr. Chairman. I just want to go on the record that I'm not opposed to the environmental laws. I think it's very necessary for the people of the State of Hawaii. What I am concerned about is the abuse of environmental laws. Thank you."

Representative Riviere rose to speak in opposition to the measure, stating:

"In opposition. Very briefly. I just want to reiterate, that this is one of many bills today that seek little exemptions. Little exemptions add up to a lot of exemptions. Environmental laws are there for a purpose. All states have environmental law. All states have a Departments of Transportation. We've got to fix it. Scapegoating environmental law is not the solution to fixing systems that aren't working properly. We need to follow the law or else we get into court and we get busted. And things cost more when we do it wrong. So let's do it right the first time.

"In just about every case, in fact in testimony in Finance the other day, the Department of Transportation testified that yes indeed there are many times when the environmental studies give them added insight and it prevents them from making mistakes. The product's ultimately better. So it's better to do it right the first time. Measure twice, cut once. Thank you."

Representative Pine rose to speak in support of the measure with reservations, stating:

"Yes, I just would like to note my strong reservations with written comments."

Representative Pine's written remarks are as follows:

"Thank you, Mr. Speaker. I stand with reservations on HB 2613. This bill would exempt the Department of Transportation from the approval requirements needed to protect our fragile environment. I'm concerned that

it would give the Department too much discretion and bring unintended consequences. Economic development is important but we do not have to choose between a healthy economy and a healthy environment."

Representative Marumoto rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, I'm voting with reservations. This is a wholesale exemption and I think it should be narrowed. Thank you."

Representative Johanson rose in support of the measure with reservations and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Johanson's written remarks are as follows:

"I rise in support with reservations on HB 2613, Relating to Harbors. While I do believe it is important to pursue responsive development in our communities and I do believe we must put forth our best efforts to identify and meet the needs of the people of our State, I have concerns about exempting a State Department from the permitting and approval process as it pertains to harbors. I believe there may be more responsible and effective ways to work with lands in our conservation districts, and for these reasons I vote in support with reservations on this measure."

Representative Belatti rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2613, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," passed Third Reading by a vote of 45 ayes to 6 noes, with Representatives Ching, Fontaine, Hanohano, Riviere, Saiki and Thielen voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 905-12) recommending that H.B. No. 1726, as amended in HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1726, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 906-12) recommending that H.B. No. 2121, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2121, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Pine rose to speak in opposition to the measure, stating:

"Yes, in opposition of this bill, Mr. Speaker. What this bill does is it prohibits government agencies from contracting with private energy providers that claim renewable energy technologies tax credits. And the reason I'm against this, I understand the purpose and the intent is that right now there are many schools statewide whose energy systems can no longer hold energy capacities that it needs. So they either rely on us to redo their whole school and upgrade their electrical systems there, or they can be creative and partner with private entities that can provide renewable energies to combine with energies they're using now.

"So I'm hoping that as we go through the process we can exclude some of those situations so that we allow our schools and other agencies to be very creative with the taxpayer money."

Representative Morikawa rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Thielen rose in opposition to the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Thielen's written remarks are as follows:

"Mr. Speaker, I rise in opposition to HB 2121 HD2. This bill would prevent government agencies from signing power purchase agreements with private companies that install renewable energy systems. Instead, the State would buy its own renewable energy systems by issuing general obligation bonds. This is a completely misguided approach.

"Power purchase agreements with the private sector have many benefits, such as fixing electricity rates over the lifetime of a contract. By stabilizing utility costs, government agencies are protected from rising oil prices.

"Also, if the State owned the installed renewable energy systems, then the State would be responsible for any repairs after the warranties expire. Under power purchase agreements, private companies would pay for repairs.

"HB 2121 is strongly opposed by government agencies such as the Department of Business, Economic Development & Tourism (DBEDT), University of Hawaii, Department of Education (DOE), and the Counties of Honolulu, Maui, Kauai, Hawaii. It is also strongly opposed by the Hawaii Renewable Energy Alliance, Hawaii Solar Energy Association, and Hawaii PV Coalition.

"Mr. Speaker, in their testimony DOE testified that HB 2121 would significantly delay installation of photovoltaic systems at public schools statewide. They also stated that the installation would cost about \$160 million in general obligation bonds. The annual debt service on bonds would offset any energy savings.

"Power purchase agreements, on the other hand, would reduce DOE electricity costs by more than 50 percent at today's rates. DOE would realize these significant savings with no up-front costs to the State.

"Not only would HB 2121 waste tax dollars, it would greatly harm green energy companies. The State should do all it can to support renewable energy industry, not harm it with ill-conceived legislation.

"I urge my colleagues to join me in soundly defeating HB 2121."

Representative Souki rose to speak in support of the measure with reservations, stating:

"Yes, with reservations. Because I don't believe GO bonds should be used for tax credits."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2121, HD 2, entitled: "A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY," passed Third Reading by a vote of 45 ayes to 6 noes, with Representatives Fontaine, Hanohano, Pine, Thielen, Ward and Wooley voting no.

At 2:11 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2806, HD 2  
H.B. No. 2153, HD 1  
H.B. No. 2800, HD 1  
H.B. No. 2485, HD 3  
H.B. No. 2613, HD 1  
H.B. No. 1726, HD 1  
H.B. No. 2121, HD 2

At 2:11 o'clock p.m., Representative Souki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 2:13 o'clock p.m.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 908-12) recommending that H.B. No. 2326, as amended in HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2326, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Fontaine and Marumoto voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 909-12) recommending that H.B. No. 2417, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2417, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I'm rising to speak against this bill. Mr. Speaker, what this bill does is severely restricts the tax credits that would be available for your average homeowner to put in photovoltaic systems. It moves it from a per-system to a single tax map credit for one TMK. This means that if a family has maybe five children, six children, and they have more roof space because of the need of that family, they would get one tax credit for that photovoltaic system on their roof, where they would really be putting in, possibly, two or three systems. What it does is it stops people from going ahead, and leaves it available for the millionaire homeowner. But your homeowner that could stretch a little bit and be able to put in a photovoltaic system under this bill, they no longer would be able to do that.

"Let me tell you a little bit about the impact that this could have. By the year 2010, a couple of years ago, 4,336 renewable energy systems were installed statewide under this program, the Utilities Net Energy Metering and Schedule Q Program. That growth is huge when you stop to think about that. Huge both in that the solar and photovoltaic industries are one of our largest and fastest growing systems within this State. This means good-paying jobs for local people. This bill is a job killer. It's going to stop dead in its tracks, the increase of the use of photovoltaic systems.

"Now maybe some companies misuse the system. But the companies that I have talked to, your credible mainstream companies, were doing this not to gain a tax credit. They were doing it because that project legitimately required more than one system to make it run and to make it be effective. And if we do this as a job killer, it's even larger than that, because what it does is, it slows down our progress to get off of fossil fuel.

"Earlier in debate during this session, I talked about the article titled, *Oil's Tipping Point has Passed* and I'd like to just refer briefly to a comment that the authors made, James Murray and David King. I will quote again: Governments that fail to plan for the decline in fossil fuel production will be faced with potentially major blows to their economies even before rising sea levels flood their coasts or crops began to fail catastrophically.

"And then they say: The solutions are not secret or mysterious. They include redirecting tax credits toward renewable energy development among other things. And instead with this bill, we're ignoring that wise advice and we're taking away the tax credit that your average family may be able to use to be able to put up photovoltaic. We're leaving the single TMK tax credit for the millionaires that are saying, 'We can put it in. It doesn't matter. The tax credit is not really relevant to us.'

"So I'm very sorry to see it's moved forward. I know it was proposed by the Majority Leader, but that doesn't mean we have to pass it. And I would ask people to rethink their vote. Thank you."

Representative Ching rose to speak in opposition to the measure, stating:

"Mr. Speaker, I rise in opposition and I ask that the words of the Representative of Kailua be entered as my own. I wanted to read from some testimony by a company, by Sunetric, Darin Nakamura said this. Sunetric employs about 140 employees here on Oahu, Maui, Big Island. That being said they oppose this, for while they are aware this bill seeks to

address concerns among public officials and members of the public regarding the use of the Renewable Energy Technologies Income Tax Credit, the solar industry has grown up around the current system and has implemented various forms of guidance provided by the Department of Taxation.

"For the residential customer, the change envisioned by House Bill 2417 is too abrupt, and would disrupt the market to a significant degree. In the commercial market, the change will undermine utility scale projects that have been in development for as much as five years, and rarely less than three years, and that have financing assumptions based on project specific letter rulings.

"It's not good for our residents. It's not good for business. We're one of the only states in the entire United States that has geothermal, that has solar, that has wind, and has wave. Yet our people suffer the highest rates in the nation, and this affects our rating for business. We are second from the last in business according to *Forbes*. According to *Forbes* only Maine is more onerous to do business. So when we're looking at revenue producing. How do we pay for roads? How do we pay for things? We must consider the whole, and our actions affect everything. Thank you."

Representative Takai rose to speak in opposition to the measure, stating:

"Mr. Speaker, I rise in opposition. Thank you. And I do appreciate the words of the Representative from Kailua. In fact, after we last had this conversation on Second Reading, I took a look at the measure a little further and she's absolutely right. The most problematic piece of this legislation right now is the TMK or the tax map key. That provision is actually a job killer. I'll give you one example, and there are many more.

"But what this bill says, is that if you should choose to sell your house after putting up a PV, the next owner cannot take a tax credit even if the owner wants to add or put more photovoltaic panels on the house. I don't think that's right. The other thing is that there are some places in our State that have one tax map key for a number of different residences. I'm pretty sure Mr. Speaker, that you're very familiar with it in your area.

"We do have some in Aiea, and that's problematic because with this bill, every single person in that one TMK, and it may include as many as in some cases, I think there's like 50 houses in one TMK in Aiea. That means only one person can take advantage of this \$7,000 tax break and everybody else unfortunately, can't. However, I'm going to say this, and I hope people understand it. I don't think that when we set up this tax credit that we ever anticipated people putting up multiple systems and taking multiple credits when they put up these systems.

"What's happening right now is wrong and we need to fix it. What's happening is, it's a \$5,000 tax credit per system according to the HRS, and companies out there are creating systems, systems with an 's,' on homes. Some as many as four systems and they're taking four separate tax credits. That type of abuse has to end. I don't know whether we create a phase down percentage, or we stick to describing a system in law so that there is no ambiguity. But something must be done to address that particular problem. Thank you, Mr. Speaker."

Representative Ward rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I rise in opposition. Mr. Speaker, I think we have to look at a little bit of history in trying to get solar water heating, not even sophisticated PV, on the roof. For 25 years we had a number of incentives and guess what percentage that we actually have installed solar water heater. About 25, maybe 27%. So with the incentives in place, we still couldn't get people to heat their water by their roof.

"Now with PV we are just now starting to climb with the green jobs, just starting to get the consciousness to go PV and we'll incentivize it. I know a lot of the people are going to stand up likely shortly to say, 'You know, this is a \$40 million proposition.' Well look at the amount of money that we ship out in terms of petroleum, \$5 billion plus per year. So pennywise and pound foolish. We say let's cut it off while it's growing, while the stalk is growing the fastest. Cut them down. Mr. Speaker, I say eventually we have

to do this, but for now let the industry flourish. Let it blossom. Let it rise up. Get that stuff on the roof. This is what Hawaii does best.

"This is what my colleague from Liliha says. Play to your strengths. Do what you got best. You got sun that blesses us, except for this Super Tuesday, dark day and storm that we're going through. But this is what we do best. We should be the national leaders and the world leaders in PV. This is a goose to get us going. Why stop it now? It's pennywise. It's pound foolish. It's untimely. Let the industry grow. And then let's clamp it down, but not now. Thank you, Mr. Speaker."

Representative Chong rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In support. I guess let's start first with what the bill says. So the first part of the bill is, we actually increase some of the threshold amounts, especially for solar water heaters. So this Renewable Energy Tax Credit talks about essentially solar water heaters, and what they call other than solar, which is PV, and wind. The solar water heater went from \$2,250 and \$2,500 because we want to encourage more people to install solar water heaters. Anybody you talk to, anyone in the industry, no one will disclaim, even the PV people. Dollar for dollar, a solar water heater is the best 'bang for the buck,' not just for the consumer, but for the taxpayer who's going to subsidize it. So that's the first thing we did.

"Second, we changed the amount from \$350 to \$1,000 for a multi-family unit. Right now, if I live in a townhome, I can only get a \$350 credit. We did the same in the PV section. Why, if I'm a taxpayer and I live in a townhome, why am I restricted to \$350? But just because somebody lives in a single family home, they get \$5,000 per system. I mean, if you want to talk about the original law. So some of the things we tried to do were to fix the inequities.

"The second part of when we talk about other than solar energy systems which is PV. We worked with the industry and they actually came back with an answer. We said, 'Okay, if it's not \$5,000 per property, what is it?' Now they came up with a much higher amount, and we kind of met them in the middle. We ended up with \$7,000.

"By the way, if you look at the DBEDT statistics on PV systems, the average for a family is 4 kilowatts. A 4-kilowatt system costs approximately \$25,000. One credit is \$5,000 per system because it's difficult to build for such a small system, multiple systems. According to DBEDT, the actual effective rate of the tax credit is only 17%. So people who buy the average size normally do not get to claim the high tax credit amounts. So what this bill will do, is help them to get closer to the thirty-five or twenty-four and a half, depending on which way they go on their tax liability.

"What we also did is we said that we will continue to subsidize commercial and more importantly, independent power producers. Right now we have a system that subsidizes at 65% and yes, this creates jobs. But I'll bet you, I can find any industry and throw a 65% tax credit at them, and they will create jobs. The question is, is it wise for the taxpayer? I mean, we're just trying to be fiscally responsible and we thought both sides of the aisle wanted to be fiscally responsible.

"Right now, I have possession of a quote from various solar companies. What they do is, they up-sell to someone. 'You know what? Buy a 9-kilowatt system. Ah, that's okay. There's only two or three of you. Maybe your parents are going to move in. Maybe your kids are going to move home. Who knows? Because you know what? Instead of buying the 4-kilowatt system at \$2,500, for maybe \$5,000 I can get you double the kilowatt. And by the way, I'll structure it so instead of getting one credit, you'll get three more.' I have documentation and that's what these people are doing.

"In addition, people have to remember that this credit and this system that we have, the PUC limits intermittent power to 15% of the grid. That means, on average, only 15% of ratepayers will be able to benefit from this tax credit."

Representative Say rose to yield his time, and the Chair "so ordered."

Representative Chong continued, stating:

"Thank you. It is 15%. Now on a case-by-case basis, the PUC will allow you to go higher on the grid, but it's a case-by-case basis. Because I'm assuming that most taxpayers are not just Hawaii State resident taxpayers. They're also federal taxpayers. Now 85% of us are going to subsidize 65% of the cost for 15% of the population. You tell me if that's fair. And that's why we went the route on expanding on the power generation side. One, because it is way more cost effective to build a 5-megawatt system than it is a 4-kilowatt system. And two, what it does is, if we all have to subsidize a project at 65%, we all get to benefit.

"People talk about the middle income class not being able to afford this. This will help them because the \$7,000 will help make it more affordable. And by the way, let's remember. You still have to front the money. So it's going to be for people who can front the money, or end up in a very expensive long term lease.

"People have to remember that this was never meant to be an open-ended tax credit where people can take three to four credits. One operator even admitted, eight. He knew people who were selling eight credits for a residential unit. That's \$40,000. At a time where we kicked off 2,000 people from Medicaid, and we cut services, there's no limit on this tax credit? These people don't have to come back like the Departments of Education, Human Services, the University of Hawaii. Is this important for us to continue? Absolutely. But I ask my colleagues to look at the bigger picture and support the continued discussion, not just for the few 15%, but the other 85."

Representative Thielen rose to respond, stating:

"Thank you, Mr. Speaker. I know, my second time. This is playing right into Hawaiian Electric's hands. And for those of you that don't recognize that, I ask you to look at it. Hawaiian Electric owes a duty to its shareholders, a fiduciary duty. They need to make money. They don't like the fact that homeowners are able to get their power from the sun through photovoltaic systems.

"Solar is nice. It gives you a hot shower if the sun is shining. Photovoltaic will take you down to like a \$20, \$30, \$40 utility bill a month and Hawaiian Electric hates that. They will do anything they can to stop that, because they owe a fiduciary duty to their shareholders to give their shareholders a profit. I hope everyone in this Body that owns Hawaiian Electric stock discloses that with the Ethics Commission.

"Then I go on to say, Mr. Speaker, photovoltaic saves the use of fossil fuel. It really reduces the use of fossil fuel, and that 15% restriction is arbitrary. That plays into Hawaiian Electric too. And the longer they delay on upgrading the grid system, it benefits them, because every time your barrel of oil ..."

Representative Chong rose to a point of order, stating:

"Point of order. We're talking about a tax credit."

Representative Thielen continued, stating:

"We are. Every time that barrel of oil increases in cost. You pay for it. Your constituents pay for it. All ratepayers pay for it. Hawaiian Electric doesn't share any of that responsibility. They pass it right through.

"So the tax credit is important. The tax credit is critical to allowing people to put the photovoltaic systems on their homes. Commercial is nice, that's fine. That doesn't do anything for your neighbors in your district. Photovoltaic does. And allowing the tax credits is what makes it feasible for your neighbors and all of our neighbors to be able to put that in. And by passing this bill, we're playing right into Hawaiian Electric's hands."

Representative Ching rose to respond, stating:

"Mr. Speaker, still in opposition. I wanted to just respond to the comment on fiscal responsibility. If you own a business, there are two kinds of things you need to look at in Economics 101: short term, and long



term. I don't think anyone in the big picture can say that Hawaii, the average, our average person here, our local people, the majority are on alternative energy. We're not there yet. We're far from it. We're still suffering high rates of electricity cost. So there may be some people who are not doing the right thing. We need to get those out. We need to solve that problem.

"But in the big picture, to speak again to the schools, to the schools in my district, to the PTSA meetings I've attended. I shall never forget when all their budgets of the schools were thrown off, not long ago, by high electricity costs. Thrown off, big time. The schools, all the budgets, because of the cost of electricity, of oil. We're always, like terrorists. We're always going to be vulnerable to that again. Second class citizens to the cost of oil. Not free. When actually we have so much alternative energy. So when I say 'big picture,' what I'm saying is, until we get to the point that we will have to put away like we put away for college education. Long term. It's not yet. The baby has not yet taken flight. When she soars, then yeah, Then we can take it away."

Representative Souki rose to disclose a potential conflict of interest, stating:

"Yes, Mr. Speaker. I wish to speak in favor of this measure, and I wish to disclose that I own some shares with Hawaiian Electric," and the Chair ruled, "no conflict."

Representative Souki continued to speak in support of the measure, stating:

"And if I can proceed. No conflict of interest? Thank you. I believe the Representative from Kailua was waiting for a ruling if there was a conflict, but there is none. But I tell you where the conflict is. The conflict is in opportunistic business people who overcharge for the photovoltaic. The opportunistic contractors who overcharge. So you have a minority that can afford a \$30,000 and \$40,000 system on their home. Where the great majority who can't afford that end up paying increasing rates, electrical rates, because of the revenue loss. This is what is happening now. And in some respect I'm very glad that this bill is trying to make some adjustment along this line. Thank you, very much."

Representative Tokioka rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In strong support. I'd like to ask that the words from the Majority Leader be inserted into the Journal as if they were my own. Mr. Speaker, and just to add on the Transportation Chair's comments. If you look at this, when you do get all of these tax credits, and when people do put in all of these systems, who are the people that are going to be putting in the systems? Who are the people that are going to be putting in all of the systems? They're the people who can afford to do it. The people who can't afford to do it, they're going to be ending up paying the higher electrical rates. And that's what the problem is with this.

"We're not stopping the tax credit. We're just trying to level it off so it's fair for everyone. So I ask Members to consider that, and I'd also like to disclose, Mr. Speaker, that I do not own shares in Hawaiian Electric. Thank you."

Representative Ward rose to respond, stating:

"Thank you, Mr. Speaker. I don't want to talk about 'roof envy' or 'class envy.' I want to talk about some statistics that I think were missing. We're getting caught up in looking at the trees and missing the forest. My colleague already said that the 15% is a false ceiling. It's definitely a false ceiling because it's made a lot of fall asleep, missing the point, that if you look at the renewable energy on the grid on Oahu, it's 3%. Repeat, 3%.

"We are barely out of the foothills, Mr. Speaker. We have not declared a victory even though we have cut these incentives out. Do you think at 3% we're actually going to grow? The 15% is an artificial deadline and in fact, if we can't get beyond 15%, we ought to quit right now if that's where renewable energy is going on PV. This is a misleading statistic, but the bottom line is 3% of our renewable energy is PV. We've just started the race, and now we're going to pull the plug on it. Thank you."

Representative C. Lee rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Pine rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2417, HD 2, entitled: "A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY," passed Third Reading by a vote of 40 ayes to 11 noes, with Representatives Belatti, Ching, Fontaine, Hanohano, Luke, Saiki, Takai, Takumi, Thielen, Ward and Wooley voting no.

Representatives Oshiro and Yamashita, for the Committee on Finance and the Committee on Legislative Management presented a report (Stand. Com. Rep. No. 910-12) recommending that H.B. No. 2524, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committees be adopted, and that H.B. No. 2524, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Tokioka rose to disclose a potential conflict of interest, stating:

"Thank you, Mr. Speaker. I'd like to ask for a ruling on a potential conflict. In my private job I work for Oceanic Time Warner Hospitality Class. Thank you, Mr. Speaker," and the Chair ruled, "no conflict."

Representative Fontaine rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative McKelvey rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. With reservations, and I would like the comments that I gave on Second Reading, entered into the Journal for Third Reading," and the Chair "so ordered." (By reference only.)

Representative Marumoto rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Ching rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committees was adopted and H.B. No. 2524, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE REGULATION OF TELECOMMUNICATIONS AND CABLE TELEVISION SERVICES," passed Third Reading by a vote of 51 ayes.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 912-12) recommending that H.B. No. 1753, as amended in HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1753, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Kawakami rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Kawakami's written remarks are as follows:

"This is a measure that would protect those who we put in charge of protecting our most precious resources. Our lifeguards protect our *keiki*, our *kupuna*, our *kamaaina*, and our *malihini*. They protect our tourist industry and they are stewards of our island resources.

"On the Island of Kauai, we have County lifeguards that are in charge of protecting a State beach park in Ke'e. This measure protects our lifeguards and gives them liability protections. Without this protection the counties may not be able to bear the burden of potential lawsuits and may remove lifeguards from our beaches. If this happens there is no doubt that lives may be lost.

"My wish is that as we move forward, this measure will be amended to protect our lifeguards in perpetuity instead of just pushing back the repeal date."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1753, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LIABILITY," passed Third Reading by a vote of 51 ayes.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 914-12) recommending that H.B. No. 2593, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2593, HD 2, entitled: "A BILL FOR AN ACT RELATING TO EMERGENCY RULES FOR THREATS TO NATURAL RESOURCES OR THE HEALTH OF THE ENVIRONMENT," passed Third Reading by a vote of 51 ayes.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 916-12) recommending that H.B. No. 679, as amended in HD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 679, HD 1, entitled: "A BILL FOR AN ACT RELATING TO FIREARMS," passed Third Reading by a vote of 47 ayes to 4 noes, with Representatives Hanohano, Luke, Rhoads and Saiki voting no.

At 2:43 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2326, HD 1  
H.B. No. 2417, HD 2  
H.B. No. 2524, HD 2  
H.B. No. 1753, HD 1  
H.B. No. 2593, HD 2  
H.B. No. 679, HD 1

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 917-12) recommending that H.B. No. 2611, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2611, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I'm rising to vote against the bill, and explain why. Thank you. Mr. Speaker, this bill relates to Environmental Impact Statements and once again, we are exempting an agency from the EIS requirements. Let me just read you a section, the findings and purpose from 1979.

The Legislature finds that the quality of humanity's environment is critical to humanity's well being, that humanity's activities have broad and profound effects upon the interrelations of all components of the environment, and that an environmental review process will integrate the review of environmental concerns with existing planning processes of the State and counties and alert decision makers to significant environmental effects which may result from the implementation of certain actions.

The Legislature further finds that the process of reviewing environmental effects is desirable because environmental consciousness is enhanced. Cooperation and coordination are encouraged, and public participation during the review process benefits all parties involved and society as a whole.

"It is the purpose of this chapter 343, which is the subject of this bill, Mr. Speaker, to establish a system of environmental review which will ensure that environmental concerns are given appropriate consideration in decision making along with economic and technical considerations. 1979.

"Introduced by Senator Stanley Hara, Senator Dante Carpenter, Senator Wadsworth Yee a Republican, Senator Mamoru Yamasaki, Senator Henry Takitani, Senator George Toyofuku, Senator Dennis O'Connor, Senator Norman Mizuguchi."

Representative Souki rose, stating:

"Mr. Speaker, are we having a history lesson here?"

Representative Thielen continued, stating:

"Thirty-three years ago. And so what do we do today in this Body? Ignore what they did. Ignore what they set up. And put in a bill that will exempt the Department of Transportation from certain actions. Why are we doing that, Mr. Speaker? I spoke about the Department of Transportation a while ago, that for 12 years they couldn't proceed with an interstate freeway project because they couldn't follow the law.

"So, now we're saying that law is inconvenient. We'll exempt them. So once again, the DOT, the poster child for bad planning and bad projects that harm our environment comes in with an Administration bill, a Governor sponsored bill, House Bill 2611 and says, 'Give us an exemption from the environmental law that was set up a third of a century ago by these leaders: Hara, Carpenter, Yee, bipartisan leaders, Yamasaki, Takitani, Toyofuku, O'Connor, Mizuguchi. And so we know better, so we can stand here and say we don't need to follow those environmental requirements. Department of Transportation, because you're incapable of complying with the environmental requirements, we'll exempt you, or because it's inconvenient.

"This is a sad day, Mr. Speaker. How many bills have we had today, gutting the environmental procedures and laws that were put into place a third of a century ago. And do you think that we don't need those requirements and those protections for Hawaii's environment? What do your children say? What will your grandchildren say? How do we answer them when we turn around and say, 'Well gee, it just wasn't convenient. So we're going to give them an exemption.' It's a sad day, Mr. Speaker."

Representative Evans rose to speak in support of the measure, stating:

"Mr. Speaker, I rise in support. Thank you. One of the things I think that all of us heard listening to the television is we have so many regulations on the book. Why in the world has government grown so much? Why is it so complicated to actually do business? And people have really, really criticized us all in making things so difficult. But when I reflect on what the previous speaker said, she paints this really broad picture of the Department. What I would like to say to the audience and people that are paying attention to this particular bill is it's not about the entire Department. It's not about exempting. It's like this broad brush.

"I think that the Chair of Transportation and the Finance Chair worked really hard to narrow this and to make it so tight that we would not get criticism for trying to bypass our environmental regulations. I believe our colleagues, I believe the Chairs, they understand the importance of the environment. I just want to put on record what this bill is really about.

"The agency, which is the Department of Transportation, may exempt a secondary action that is limited, limited to the installation, improvement, renovation, construction, or development of infrastructure within an existing public right of way. I want to say existing public right of way, or highway. Provided that the primary action requires a permit or approval that is not, not subject to discretionary consent.

"Clearly, when you put in a public right of way or a highway, you are required to do Environmental Impact Statements, and Environmental Assessments. You jump through all kinds of hoops to put in highways. This is about existing public right of ways or highways. So, I just want to point out that this isn't a broad exemption as I believe the previous speaker was implying. Thank you."

Representative Thielen rose to respond, stating:

"Thank you, Mr. Speaker. Taken by itself you might be able to say, 'Well, okay. We're going to look at this as somewhat narrow.' But if it is so narrow, and it's such a *manini* kind of a thing, the Department of Transportation could go to Environmental Council. A number of years ago I served on that body, Mr. Speaker. We have categorical exemptions for projects that are *manini* with really infinitesimal environmental impact. They don't go to the Environmental Council. They come to the Legislature to say, 'Give us a broad brush exemption.'"

"But Mr. Speaker, even more important, that broad brush exemption includes construction. Maybe it is an existing right of way. But when you're talking about what does that right of way go over? What is it impacting? What water table is it above? What's going on with that? So it's not so *manini* or so unimportant. And besides that, they have a way to go to the Environmental Council to do it properly. But they don't want to, because they come to the Legislature figuring they're going to get a free ride, a free pass. But Mr. Speaker, more importantly, this is not the only bill."

"Today we have seen a gutting of a number of environmental protections that have been in place for decades. We're seeing exemption, after exemption, after exemption. When all of a sudden, Mr. Speaker, you poke holes in a bowl, pretty soon the water in that bowl becomes a flood going out the bottom, washing away our environmental laws. So it is as I said, a sad day here, Mr. Speaker. I don't think anyone should be proud to think and go home, and go home and talk to school children and others in the community to say, 'We're your environmental stewards.' Well, guess what? The environmental stewards were those names I read, those, primarily men, I believe one woman, that I read today in the different bills, discussing the different bills. Those were the environmental stewards. Today, we're the ones that are harming what they put together."

"DOT does not need this bill. DOT has a process it can follow. The Environmental Council has said that. They know darn well they could follow it. And if you want to know what held up H-3 for 12 years, it's because they refused to follow the process. And they could have. They're doing it again today, but they've learned a fast track. They don't have to go to United States Congress. They just come to this Body and they say, 'Exempt us from the law.' I won't vote for something like that, and I hope my colleagues won't. Thank you."

Representative Kawakami rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In support. I think that this measure is a good example of something that has struck the right balance. Because you can see, at the beginning of the measure, we had concerns from OEQC. As it went through the process of Committee meetings and it got amended, we got the support of OEQC. In fact, we had testimony come in from an organization that represents developers in opposition to the latest draft."

"Now this is all, I think, ways to address the symptom. As we get frustrated by projects that may be moving along too slowly because of the permitting process and the layers of government it has to go through, the one thing I didn't hear was that we may be frustrated at that, but there are people out there that are reliant on going out and building things, and on getting projects completed. Blue collar workers that are sitting on the bench and they are frustrated because they have no income to bring home to their families. And so, this is all a symptom, I think, of the overall problem that we're trying to address. So how do we address it? We cannot keep on saying no. Do you want to increase taxes so we can build up a work force so we can move these permits along faster? We cannot keep saying no."

"I believe that this is a measure that strikes the right balance, and it's very apparent in the testimony that came across through OEQC. Thank you, Mr. Speaker."

Representative Chong rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In support. I just wanted to add to the remarks of both the Representative from Kauai and the Floor Leader. This is a very narrow exemption. It's for secondary projects and for right of ways. Both DOT and the OEQC supported it. This is for projects like driveways. It's not a very broad one. And actually it's similar to the predecessor in which we passed, Act 87 in 2009 under the Lingle Administration."

"The Legislature finds that the Department of Transportation is requiring a determination from OEQC for secondary actions that are clearly exempt from the Environmental Assessment requirement under the Department's own rules. As a result, the Legislature further finds that the OEQC is overwhelmed by a number of requests from the Department for action reviews which has created unnecessary delays for actions that would clearly be exempt from the environmental assessment requirement."

"This is so OEQC can focus on the real big projects and the projects that need a thorough review. And similar to what the Representative from Kauai said, we sometimes talk about this stuff in silos. Like this is the only project government runs, and it's the number one priority. Well, you know what folks? We have a lot of top priorities. It isn't the only one. And unless somebody's willing to introduce a bill to raise the fees, which some people are set against, or taxes to pay for it, then they should just ... Well, I won't say. I'll just ask the Members to support the bill. Thank you."

Representative Ching rose to speak in support of the measure with reservations, stating:

"I rise with reservations, and I ask for written comments to be inserted into the Journal. But I think that, though I don't perhaps speak for the Representative from Kailua, what she did point out in her comments on the Floor is how this was one more bill in a slew of bills, which is very possibly perceived as a theme. A theme. Thank you."

Representative Ching's written remarks are as follows:

"Thank you, Mr. Speaker. I stand with reservations on H.B. 2611 – Relating to Environmental Impact Studies. This bill temporarily amends Chapter 343, Hawaii Revised Statutes, to clarify current exemptions for secondary actions limited to development within existing public right-of-ways or highways. It requires that applicants prepare environmental assessments when required."

"While I generally support measures that free up time and prevent unnecessary delays, I am concerned that H.B. 2611 contains problematic language. Minor roadway improvements are already generally exempted from environmental reviews. This bill defeats the purpose of the exemption, and is not an exemption at all. It would more than likely open the door for lawsuits. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2611, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ENVIRONMENTAL IMPACT STATEMENTS," passed Third Reading by a vote of 48 ayes to 3 noes, with Representatives Hanohano, Riviere and Thielen voting no.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 918-12) recommending that H.B. No. 2760, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2760, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TRAFFIC SAFETY," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 920-12) recommending that H.B. No. 1694, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1694, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Ching rose to speak in opposition to the measure, stating:

"Mr. Speaker, I've spoken on this measure before, so I'll keep it brief. In opposition, still. This bill requires the collection of the Use Taxes by sellers who make sales through internet linked websites. And despite whatever you want to call this bill, it's still a collection to me, of taxes on a consumer.

"Maybe I should have a conflict of interest. I do buy things on the internet," and the Chair ruled, "no conflict."

Representative Ching continued, stating:

"I often buy things on the internet because you can't find everything in Hawaii. So to me, I have always been a supporter of choice, merit, and quality for our people. That if you can't find something in the stores here, that you can go online. Sometimes you have to do that in a State that's far away from any other land mass. And so in its attempt to level the field of business, you know it's going to be still at a cost to our people. And just a reminder once again, we do pay postage on it. Thank you."

Representative Ward rose to speak in opposition to the measure, stating:

"Mr. Speaker, I rise in opposition to the measure. I rise in opposition to the \$250 million tax increase that this is going to put on the backs of our constituents. I know it's called a Use Tax. In fact, if you look at the Use Tax and its history of probably 30 or 40 years ago, probably this Legislature would never pass such a thing, because it's not implementable. That's basically what this is. It's an end run to implement something that was not actually operationable, which generally you can't get through a Committee here nowadays if something is not practical and able to be implemented. I know if anyone stands up in opposition, they're going to say, 'Let's level the playing field with the brick and mortar for Hawaii because we need to have an even playing field.'

"Mr. Speaker, the response to that is, every small, large, medium-sized firm in Hawaii has access to the world through the internet. All we need to do is get them online and they can start selling to the rest of the world. We've got the best brand name in the world. We've got the best products that we can sell. So when we say we have a disadvantage to the mainland, why would we not take advantage of this ability to sell all over the world and not have to pay taxes?"

"So it's a two-way street and we're only emphasizing one side. But the bottom line is, this is a money grab for the pockets of the people of Hawaii to the tune of \$250 million if it passes. And that's why I'm voting no. I hope everyone votes no to protect their constituents who shop online. Thank you."

Representative Choy rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In strong support of this measure. This is the third year I'm putting this measure in. What I'd like to do is, I'd like to just read a sentence from a letter I received from the Deputy Director of Taxation, Randolph Baldemor. This statement says, 'As stated during the hearing, on HB 1694's language facilitates the collection of taxes relating to remote sales, but does not create a new tax.'

"And I'd like the rest of this letter, in whole, to be inserted into the Journal. Mr. Speaker, I can't cure stupid, you know. Tax cheating is not, and should not, be a tax planning tool. And as the Minority Leader said, and I don't know where he got this figure of \$250 million. I hope it is, \$250 million into our coffers, because with \$250 million, I can pay for school buses. I can pay for education. I can pay for health. You know, Adult Learning Centers. I can pay for all the stuff that our society needs to make it a better society, instead of raising taxes. And we'd be collecting these taxes from the people that are cheating on their taxes right now.

"So, this is not a new tax. This just avails ourselves of collecting what is already owed to the State of Hawaii. I don't want my taxes or any other taxes raised, because these people are not paying their taxes. So for those reasons, Mr. Speaker, I support this bill. Thank you."

Representative Choy submitted the following letter from the Department of Taxation:

NEIL ABERCROMBIE  
GOVERNOR  
BRIAN SCHATZ  
LT. GOVERNOR



FREDERICK D. PABLO  
DIRECTOR OF TAXATION  
RANDOLF L. M. BALDEMOR  
DEPUTY DIRECTOR

March 6, 2012

The Honorable Isaac Choy  
Vice Chair, House Committee on Economic Revitalization and Business  
415 South Beretania Street, Room 404  
Honolulu, Hawaii 96813

Dear Representative Choy:

I would like to clarify the Department's comments regarding H.B. 1694, which were made at the hearing before the House Committee on Economic Revitalization and Business on January 31, 2012 at 8:30 a.m. As stated during the hearing, H.B. 1694's language facilitates the collection of taxes relating to remote sales, but it does not create a new tax.

Hawaii's general excise tax (GET) is a gross receipts tax on the privilege of doing business in Hawaii. The GET is intentionally broad in scope. As provided in HRS §237-2, the focus of the tax is on whether a business is engaged in activities with the object of gain or economic benefit, direct or indirect. In the case of tangible personal property (TPP), the 1935 legislature who enacted the GET law intended that sales of TPP in interstate and foreign commerce would be excepted from GET, *but only if prohibited from taxation by the Constitution of the United States*. This broad interpretation of the tax beyond State geographical boundaries is consistent with the view of the Supreme Court of Hawaii, which subsequently opined that an out-of-state corporation or individual does not have to be domiciled in the State of Hawaii to be subject to the GET. *See In re Tax Appeal of Subway Real Estate Corp.*, 110 Haw. 25 (2006); *In re Tax Appeal of Grayco Land Escrow, Ltd.*, 57 Haw. 436, 447 (1977) (stating that the GET "is based on the privilege of doing business in the State and not on the fact of domicile"); *In re Tax Appeal of Heffel Broad. Honolulu, Inc.*, 57 Haw. 175, 182-83 (1976) (holding that an out-of-state lessor who contracted with an in-state lessee for film and telecast rights was engaged in an in-state activity subject to the GET).

Hawaii's use tax supplements the GET, but the tax is not intended to impinge upon the scope of the GET. The tax applies to sales of imported products or services, so long as the use in question has not been taxed under the GET law. HRS §238-3(b).

Throughout the nation, states are grappling with the question of how to effectively tax remote sales. Our state, among all states, should give thoughtful consideration to this issue, particularly in light of the expansion of electronic commerce and Hawaii's unique challenges. Thus, we appreciate the intent of HB 1694 to provide clarification on how the use tax should be applied.

Should you have any questions or wish to discuss this further, please do not hesitate to contact me.

Sincerely,

RANDOLF L. M. BALDEMOR  
Deputy Director of Taxation

Representative Oshiro rose to speak in support of the measure, stating:

"I rise in support with a couple of points. I believe the projected revenue, the take on a fair tax assessment on those cheaters, is anywhere from \$10 million to \$50 million. \$250 million might be over a period of ten years.

"My second point I need to make is that, this has even got the stamp of approval from our perennial tax critic Mr. Lowell Kalapa, who says this is one of fairness and equity, and not a new tax. Thank you."

Representative Herkes rose to speak in support of the measure, stating:

"In strong support. What this bill does is it helps local business. And it's unfortunate that the anti-business members of the Minority don't recognize that."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1694, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 40 ayes to 11 noes, with Representatives Brower, Ching, Fontaine, Hanohano, Johanson, Keith-Agaran, Nishimoto, Pine, Takai, Thielen and Ward voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 921-12) recommending that H.B. No. 2169, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2169, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Choy rose to disclose a potential conflict of interest, stating:

"A ruling on a potential conflict. I'm a CPA. Thank you," and the Chair ruled, "no conflict."

Representative Marumoto rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2169, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ACCOUNTANCY," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 922-12) recommending that H.B. No. 1671, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1671, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Rhoads rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1671, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 923-12) recommending that H.B. No. 1840, HD 2, as amended in HD 3, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1840, HD 3, pass Third Reading, seconded by Representative Evans.

Representative Ward rose to speak in opposition to the measure, stating:

"Mr. Speaker, I rise with reservations, and opposition. Let me qualify why I say that. If this was the only banking bill that we had, it would be with reservations. But since it's many, I'm in opposition. This is one of four bills of which in the historical sense, we only had this bill. But this bill basically morphed or multiplied itself into four.

"I'm going to be very brief in the sense that this is a task force. Learning is good. Research is good. Finding out what is good. But reinventing the wheel is bad. Having to prove that the moon is there by going to the moon. The problem is we're going to spend the taxpayers' money to get the rocket fuel to get to the moon, just to prove that it's there. The Bank of North Dakota has already been studied by Massachusetts. We know what the results are. They rejected it. It's too expensive. There are too many things. But then again, I'm bordering on my next speech, Mr. Speaker. Thank you."

Representative Marumoto rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Fontaine rose in support of the measure with reservations and asked that the remarks of Representative Ward be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Ching rose to speak in opposition to the measure, stating:

"In opposition. This bill, Stand. Com. 923-12, would establish a task force to discuss a state-owned bank. So in a state-owned bank, you're going to have the one that's been, there are other measures that are coming on this Session with the Governor involved. Head of the union involved. A

lot of people involved, but very little with experience in operating a bank, or dealing with real estate investment and sour mortgages. The Bankers Association that testified has said more than enough. I know it's on the cover of the newspaper. But one of the things that they talked about is a level playing field. You know, we're a town of one newspaper. One everything. Now, one bank. One bank. So interesting because you know, Putin was just elected in Russia. They've got a one bank over there too, and they tell the little banks what to do.

"Let's step back from the precipice that would cause our entire State cash flow to fall off. During these times of economic difficulty, we need clear and common sense approaches to ensuring Hawaii's funds are held in a safe, secure, insured manner, and this bill would just do the opposite. It would interject politics and favoritism into lending at a time when Hawaii needs transparency, it needs fairness, and it needs honesty.

"Grow the pie. Even our local credit unions have voiced concern about the financial impacts of this idea. The credit unions are so important to us. Additional written comments, Mr. Speaker."

Representative Ching's written remarks are as follows:

"Thank you, Mr. Speaker. I stand in opposition of H.B. 1840 – Relating to State Owned Bank. This bill establishes a task force to review and investigate, and study the feasibility and cost of establishing a state-owned bank while requiring a report to the Legislature.

"H.B. 1840 attempts to extend the conversation of a concept that currently pursues a path that I find irresponsible, bureaucratic and costly to the State. I agree with a statement from the Hawaii Bankers Association, "Forming a state-owned bank is a complex and potentially costly process and deserves thorough analysis to determine whether there is truly a legitimate unfulfilled need. Legislators must ask if it can be accomplished without risking the public's money and if it can be operated in a safe and sound manner. Without proper vetting and consideration, the state could be burdened with more costly bureaucracy, not to mention the cost to set up the initial banking infrastructure."

"The underpinnings of this bill would conceivably breed unfair competition and policy conflict. Until the State can show proof of operating a for-profit business, this bill should not even be considered. H.B. 1840 lacks reasonable, intuitive support and would require an unknown amount of State money to implement. I would be astonished if something so imprudent could make its way into law in such a fragile economic environment. Thank you."

Representative Tsuji rose to speak in support of the measure, stating:

"Mr. Speaker, on HB 1840, the state-owned bank, I rise in support. Thank you, very much. Mr. Speaker, this House Bill calls for the establishment of a task force to review, investigate and study the feasibility and cost of establishing a state-owned bank. It requires a report. This legislation has journeyed to various Committees for public hearing, and there've been testimonies by a handful of consistent testifiers.

"Number 1, the Department of Commerce and Consumer Affairs. This Department supports a task force feasibility study, and I quote in part: As part of establishing a task force under the bill, the Department believes it is important for the task force to take a broader look at many options that the State should consider, and the State Bank is one of the options. That's what this task force requirement is for.

"Further, so important and so engrossed have the testifiers been, I have personally spoken with Mr. Gary Fujitani of the Hawaii Bankers Association, along with the Hawaii Credit Union League, specifically, Ms. Stefanie Sakamoto. Both made appointments with me to discuss this with me. And both have concurred that they support such a task force legislation. Thank you, very much."

Representative Souki rose to speak in support of the measure, stating:

"Yes, Mr. Speaker. I support the task force for the bank. And I would like the remarks of my namesake, who sits right next to me, be as my own. Thank you, very much," and the Chair "so ordered." (By reference only.)

Representative Yamane rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I'm standing in support. Mr. Speaker, my colleagues have talked about the intent of the measure. I will actually just focus my discussion regarding comments made regarding the Bank of North Dakota, the only state-owned and state-operated financial institution in the United States.

"Mr. Speaker, in addition to paying competitive interest rates to the State Treasurer, the Bank of North Dakota also invests its money in loan programs to spur economic development. In the past decade, the Bank has returned approximately one-third of one billion dollars, to the state general fund. And despite the recent financial crisis, it has earned interest of about \$57 million recorded just in 2008 alone, Mr. Speaker.

"Rather than competing with private banks, the Bank of North Dakota has created partnerships with over a hundred other North Dakota financial institutions. Mr. Speaker, in the discussion regarding one bank, negatively impacting other banks, just in North Dakota alone, there are almost 100 banks, private banks, compared to Hawaii's 11 banks.

"North Dakota has one of the lowest unemployment rates in the nation, and has the second lowest mortgage foreclosure rates in the nation. Mr. Speaker, the State of North Dakota, has about 673,000 people compared to our 1.4 million. This model may not fit Hawaii, but this is a good start. This is a task force to discuss this issue, and to give us guidance as we move forward. Thank you."

Representative Oshiro rose to speak in support of the measure, stating:

"Mr. Speaker, I rise in support of this measure with just a couple of points. And I ask permission to insert written comments. But first of all, this is just a task force. Hawaii is not Massachusetts. And it is not California. Thank you."

Representative Oshiro's written remarks are as follows:

"Mr. Speaker, I rise in support of House Bill No. 1840, House Draft 2, RELATING TO STATE-OWNED BANK. This bill would establish a task force to review, investigate, and study the feasibility and cost of establishing a state-owned bank, also known as a partnership bank or a partnership trust. In any case, this tax payer funded bank would be similar the Bank of North Dakota and complement and support current banks in Hawaii.

"The issue of creating a state-bank in Hawaii is not new. I have stood before this august body in previous years urging my fellow colleagues to at least take a closer look at this concept without much success. It seems that the mere mention of the phrase – "state bank" – is met with immediate skepticism or scorn. This is a shame since many of Hawaii's Legislature's best policy decisions were not traditional or main-stream but "out-of-the-box" and "cutting-edge."

"I'm hoping that things will be different this year. A groundswell of support is growing as the potential of a state-owned bank is being realized. More and more people in Hawaii are starting to understand what a state-owned bank could do to better our lives. And people across the Nation are looking to Hawaii to serve as the model for public-sector banking. This year, about 17 states, both Democratic and Republican controlled legislatures, are considering whether a North Dakota style bank would be beneficial to their citizens.

"On February 29th, your Committee on Finance heard a package of measures intended to facilitate a thorough but concise discussion on the concept of a state-owned bank.

"House Bill No. 1840 was one of those heard, and it closely resembles House Bill No. 853, House Draft 1, which was reported by your

Committee and approved on Third Reading by this House last year, but failed to be approved by the Senate.

"Of the bills heard on the creation of a state-owned bank that day, this bill seemingly was the least objectionable by the banking community. If approved, this bill would begin the process of formally identifying the needs for a state-owned bank. It is similar in approach to legislation approved in Massachusetts in 2011, and in California in 2012.

"In both states, the banking lobby was successful in short-circuiting these efforts. In Massachusetts, the Governor was able to load the Commission charged with studying the feasibility of a state-owned bank with representatives from the banking industry. This resulted in a report recommending that Massachusetts not pursue a state-owned bank. In California, a bill that passed the Legislature to create a similar commission was vetoed by the Governor after strong opposition by the banking lobby.

"The banks fought for the status quo, and in Massachusetts and California, the status quo won. But, in Hawaii, it need not be this way. We in Hawaii are friends, neighbors, customers, and only one or two degrees of separation keep us apart. Indeed, as an example, I am a customer of all three major banks, First Hawaiian, Bank of Hawaii, and Central Pacific Bank. I also have several accounts with three local Credit Unions. And, because of these relationships, it needs to be understood that I am not seeking to harm or hinder any of the current banks, but on the contrary provide them with greater loan and business opportunities by the establishment of a North Dakota style bank. A bank that does not compete with local banks but acts more like a "banker's bank" and partnership bank, thereby allowing for in-state processing of banking services and charges, and also, greater extension of credit via partnership loans and underwriting and lines of credit.

"To put this in proper context, Hawaii's financial market may be one of the most concentrated in the US. We have just 11 banks with 175 branches located throughout the State. And Hawaii has been very profitable for these banks. Let's take a look at our two largest banks:

- First Hawaiian Bank posted profits of \$209.9 million for 2011, an increase of 3.4% over 2010, excluding a one-time tax benefit.
- Bank of Hawaii posted \$160 million in profits for that same time period.

"Together, these two banks earned nearly \$400 million in profits last year. . . FOR THEIR SHAREHOLDERS, many of whom live outside the State of Hawaii.

"First Hawaiian Bank is a subsidiary of BancWest Corporation, which itself is a subsidiary of the French banking company, BNP Paribas. At the time of the merger in 1998, the shareholders of the former First Hawaiian, Inc. owned 55% of BancWest. BNP, the former owner of Bank of the West, owned 45%.

"Similarly, Bank of Hawaii was reorganized as a bank holding company in 1971. In the years that followed, the company changed its name to Bancorp Hawaii, and then to Pacific Century Financial Corporation after it purchased the First National Bank of Arizona, FirstFed America, a holding company for banks in Hawaii and on Guam, Banque Indosuez in Vanuatu, the Commonwealth Bank of Australia's shares in National Bank of Solomon Islands, and Banque de Nouvelle Calédonie. Bank of Hawaii also owns shares in Banque Indosuez Nuigini in Papua New Guinea, the Bank of Papua New Guinea, California United Bank, First Federal Savings and Loan Association of America, and Pacific Century Savings in Arizona.

"Do all of these earnings stay in Hawaii in the form of investment for local businesses? NO.

"Does all of this income get taxed in Hawaii so that the State can put this capital to use for necessary programs and services? NO.

"Do the banks like how things are? OF COURSE THEY DO.

"The status quo is very profitable for Hawaii-based banks, and it is not in the best interest of their shareholders for things to change.

"But do our citizens feel likewise? Listen to the young farmers of the Ewa plain or Up-Country Maui, who are desperately seeking financing to expand their operations but are unable to secure loans. Or how about the small business owner who is trying to redecorate his successful Subway restaurant because of changes required by the corporate headquarters, but is unable to do so because he can't get a commercial loan. Or what about the struggling shopkeeper who is trying to get another line of credit to cover her operational costs until a big payment for last month's deliverables comes in.

"According to the Department of Labor and Industrial relations, during the Great Recession, more than 33,000 jobs were lost, and more than 200 small businesses went into bankruptcy – many due to their inability to secure loans.

"A state-owned bank holds enormous potential. It would allow the State to consolidate its fiscal resources to help our citizens.

"Some of these ways include:

- \* Providing commercial loans to small businesses;
- \* Providing "partnership loans" with commercial banks;
- \* Buying down interest rates with commercial banks;
- \* Financing infrastructure improvements at lower cost; and
- \* Targeting State investment in emerging industries.

"And let's not forget the thousands of our citizens who are impacted by the mortgage foreclosure crisis. Our own staff has told us that a tsunami of foreclosures are on the horizon as the financial industry decides how it will handle delinquent loans in light of the enactment of Act 48 last year and the statutory fixes proposed this year.

"Last Wednesday's hearing allowed your Committee a look at how a state-owned bank could address these problems. It also gave us a glimpse of how a state-owned bank could facilitate multi-state financing of green projects. It showed us how the State of Hawaii can become a major "player" in financing.

"Mr. Speaker, let me be very clear. House Bill No. 1840, and the other bills proposing a state-owned bank are pro-small business, pro-consumer, and environmentally friendly.

"And all this can become reality one day. But we need to take the first step. House Bill No. 1840 is the first step. It would assert our belief that this idea has merit and should be investigated further. It demonstrates our ability to think outside the box to find creative solutions to today's problems.

"For these reasons, I urge my colleagues to support this bill."

Representative Pine rose to speak in support of the measure with reservations, stating:

"And we're definitely not North Dakota, Mr. Speaker. With reservations. But I am in support of a task force. I think it's important to study things when we are going to enact legislation that is so drastic like this. I think we need to prepare ourselves for the possibility that perhaps this is not something that we're qualified to do. And something so serious as a state bank has multiple ramifications. Would it hurt our current banking industry? Would it hurt our consumers? Would it hurt our overall ability as a community to be able to give loans?

"So I'm in strong support. Well actually, support with reservations, of this task force, and I hope that we tread lightly in actually establishing a bank before this is implemented."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1840, HD 3, entitled: "A BILL FOR AN ACT RELATING TO STATE-OWNED BANK," passed Third

Reading by a vote of 48 ayes to 3 noes, with Representatives Ching, Thielen and Ward voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 924-12) recommending that H.B. No. 2103, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2103, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Ward rose to speak in opposition to the measure, stating:

"Mr. Speaker, I yield to the Chair of Finance if he would like to speak. If not, I will proceed. Mr. Speaker, I stand in opposition. Clearly, as those who just voted with at least a few words, to say that we've got to study it before we do it. Let's look at this bank, that bank, and the other bank. If that's the case, this thing should be dead already. Because this says it's going to be established. This is the State Bank. This is the Bank of Abercrombie. Let me give you seven reasons why this is bad policy, a bad idea, and bad for the people of the State of Hawaii.

"First of all, and this is what my initial speech was. We've been there, done that, vis-à-vis, this study on the Boston Reserve Bank about what Massachusetts found as they looked at the Bank of North Dakota. That is something that we should learn from. Those who don't remember the past, they are destined to repeat it. And I think we're going to head into the same thing. Our homework has already been done. We can learn from it. We can save money from it. So reinventing the wheel, as I spoke of earlier, is number one.

"Number two, is that this is really a risky proposition, Mr. Speaker. This is not an FDIC, Federal Deposit Insurance Corporation fall back. It falls back on the tax payers. And as the Bankers Association said, there's a difference between a bank which loans money, and investments which you risk and try to get in a return. And this bank that's going to buy toxic mortgages, probably the worst asset, the riskiest asset there is, is going to make money? So the risks are extreme. The risks are serious. The risks are all over. It's got flashing red lights all over it.

"Another reason why this is a bad proposition, bad policy, bad for the people of Hawaii, is that it could jeopardize our bond rating, which already, Mr. Speaker, has been downgraded. We borrow money. We have a rating. We have no difficulty buying our bonds, and at favorable interest. But if we enter into something such as a State Bank that buys toxic mortgages, our bond rating is going to go down.

"And for the sake of those who have been following the Bank of North Dakota, get a load of this. Standard & Poor's raised the Bank of North Dakota's credit rating in its latest review of the bank's released statement of December 6th 2001, its long-term credit rating is now raised to AA- from A+. Mr. Speaker, A+ is nothing. AA- is like stable. So when we tell this bank, which actually only puts \$30 million into the treasury every year, you know this is not exactly Fort Knox. I was very shocked to know of this lack of stability. Or let's say the lack of a AAA rating et cetera, et cetera.

"I should also note that from its 1919 beginning, and its purpose for farmers, for agricultural loans, people should know that right now they are so far out of that. Their investments now are primarily student loans. The biggest thing that they buy is student loans at 37% of their portfolio. Commercial loans are 36% of the Bank of North Dakota. Residential loans, that is real ones, not foreclosed loans, is 17%. And agricultural loans 10%.

"So with that portfolio of total assets that are valued at \$4 billion, they get \$30 million in profit per year, which is the fourth reason. What money do we get out of this? We have now \$4 billion that the State of Hawaii invests. \$2 billion is probably in the Bank of Hawaii, and in First Hawaiian Bank. We get about \$16 million per year from them. Mr. Speaker, these have been almost 100 years old, and they get \$4 billion in assets. In order to make that much money to put in the treasury, we're going to have to have a lot of money to invest. Question, where do we get the money?

"Where do we get the money to start the Bank of Hawaii? Council on Revenues is coming up in a matter of hours. Gas prices are going up. Tourism may go down. Who knows what's going to come up in the November election. Who knows what's going to go on with Israel and Iran. We've got a lot of uncertainties, but yet this bill says we're going to do the bank. Not like the study that says we should study the bank.

"The fifth reason. Not only do we not have the money, we don't have the time, Mr. Speaker. If we're doing this for actually a money maker, to help ..."

Representative Pine rose to yield her time, and the Chair "so ordered."

Representative Ward continued, stating:

"Thank you. Thank you. As our good friend from Manoa noted, you know, we've got to have money to pay for schools. And we've got to do all these other things. Well how long are we going to wait? And how much are we going to risk to do that? Remember the Bank of North Dakota is about 100 years old and it gets \$30 million in its coffers for \$4 billion worth of assets. That's not a huge return. Not a huge return at all.

"Number 6. The governance model, Mr. Speaker. How you run an operation is important. And who runs the operation. If we mimic this governance model from the Bank of North Dakota, the Governor is the Chairman of the Board, and let's face it. Our Governor is very smart. He has a PhD, but it's not in economics. It's not an MBA. But it puts him at the head of the pack. The head of the Board. It also has a seven member advisory board, and in Hawaii's case, members of the AFL-CIO would be board members. Would these members be knowledgeable also? Maybe. Maybe not.

"But the problem is Mr. Speaker, that when we look at the role of the Legislature in North Dakota and our Legislature, I noticed in doing my research there were a dozen pieces of legislation that the North Dakota Legislature passed to fund money. For example \$3.3 million went to the Lieutenant Governor's Office for a computer project. There was also a loan to the Department of Human Services for operational purposes. Mr. Speaker, this is supposed to be a bank, and it's already funding government operations or loaning money back and forth, and voted on people such as us that are elected. Do we want political leaders doing financial leadership for the State of Hawaii with the assets that would be pledged for doing this?

"Lastly, Mr. Speaker, this State Bank would blur the lines between the private and the public sector. Hawaii is already the largest public sector in the nation. 30% of our labor force works for federal, State, or City and County individuals. Corporations are only 70% of the labor force. 30% are government workers. We have two of the best banks in the nation. One was number one last year; and number two this year. That's Bank of Hawaii. We don't need another bank. There's not a shortage of money that we need to borrow. There's not a lack of funds that we have. We have good interest rates. The reason for getting into this is a puzzle except when I speak on the third State Bank of Hawaii, we may uncover even more reasons why this is a bad idea, bad policy, and not good for the people of the State of Hawaii. Thank you."

Representative Herkes rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In support. One of the things that I might say is that the purpose of this proposal is to give the local homeowner a place to go to deal with the big banks, and to give them some strength. This Representative would rather support the local homeowners in their fight against the big banks, than to support the big banks.

"I might note that in the current draft, I don't believe there's anything in it that names the Chairman of the Board being the Governor. Having said that, I'm just going to read portions of my testimony, I'd like to submit the rest into the record, because it's fairly long.

"Mr. Speaker, we're getting some national press on our proposal, and I'd like to read from the *Huffington Post* article on February 27th, on the front page of their business page. It's an article championing HB 2103,

describing it as innovative. It said that HB 2103 takes a novel approach that proposes a program to deal with the housing crisis and the widespread problem with breaks in the chain of title, due to robo signing, faulty assignments and MERs. Concepts in this bill, according to the paper, may be difficult for a lot of people to wrap their heads around. They are indeed novel. They are indeed innovative.

"Mr. Speaker, we are experiencing an economic crisis with unprecedented characteristics. We must take unprecedented novel and innovative measures to address the crisis. We're in an economic crisis and our nation's middle-class homeowner's are bearing the brunt of it. Our federal government is quick to bailout our 'too big to fail' banks, that have failed to deliver for our hardworking people who've been victimized by these banks. Our State Bank proposal has attracted national attention. There are, if I haven't already said it, there are 17 other states considering similar legislation.

"For those of you who have not yet read the bill, the *Huffington Post* article aptly explains, and I quote: In case of foreclosure, in which the mortgagee cannot prove its right to foreclose or to collect on the mortgage, foreclosure shall be stayed and the Bank of the State of Hawaii may, not shall, may offer to buy the property from the owner-occupant for a sum not exceeding 75% of the principle balance due on the mortgage loan. That's called 'crum down.' The Bank of the State of Hawaii can then rent or sell the property back to the owner-occupant at a fair price on reasonable terms having bought it for a discount.

"The bill also allows homeowners who have been denied a modification under the federal loan modification program to apply for consideration. Just how widespread is this problem? It's interesting to note, Mr. Speaker, that just a few weeks ago on February 15th, the *New York Times* reported in an audit of four hundred recent foreclosures in San Francisco County found that 84% contained clear violations of law, and two-thirds of those foreclosures contained four separate instances of fraud and illegality. I'm sure that Hawaii's problems are very much the same.

"There seems to be a criticism that the State will expose itself to unnecessary risk by buying toxic mortgages. And there seems to be widespread confusion and misinformation about what this bill provides. The opponents seem to think that the bill will compel, compel the State to buy toxic mortgages. First, the State can, and will have the option to decide whether it wants to invest in. Let me emphasize that the word, 'may' appears in the bill multiple times. The State may purchase residential property from owner-occupants, but only if the Bank paperwork fails to show that the Bank has the right to collect and the debt or has a legal authority to foreclose on the property.

"As far as some of the time elements, this bill also takes advantage of *Hula Mae* ..."

Representative Yamane rose to yield his time, and the Chair "so ordered."

Representative Herkes continued, stating:

"*Hula Mae*, which is already in law while we're working through the rest of it. Some additional points. We need to ask the local banks how many of their loans do they keep in-house? How many do they sell on the secondary market? And a recent study conducted by the National Committee Reinvestment Coalition found that local banks are not providing enough loans to low and moderate-income borrowers, which is in violation of State law. I urge your support."

Representative Herkes' written remarks are as follows:

"Mr. Speaker, I rise in strong support. Our State Bank bill received national press. On February 27, the *Huffington Post* put on the front of their Business page an article championing HB2103, describing it as "innovative." It said HB2103 takes a "novel approach" that "proposes a program to deal with the housing crisis and the widespread problem of breaks in the chain of title due to robo-signing, faulty assignments, and MERs."



"The concepts in this bill may be difficult for a lot of people to wrap their heads around. They are indeed "novel." They are indeed "innovative." Mr. Speaker, we are experiencing an economic crisis with *unprecedented* characteristics. We must take unprecedented – novel, and innovative measures to address the crisis.

"Many of the successful aspects of FDR's New Deal, which helped lift the nation out of The Great Depression, had come from New York State when FDR was its Governor. They were indeed unprecedented, out-of-the-box ideas borne by a state. And they worked.

"We are again in an economic crisis, and our nation's middle-class homeowners are bearing the brunt of it. Our federal government is quick to bail out our 'too big to fail' banks – but has failed to deliver for our hard-working people who've been victimized by these banks. Our State Bank proposal has attracted national attention. We need to keep pressing this, because it might just work.

"Mr. Speaker, a lot of the criticism that has been leveled at this bill is focused on provisions in earlier drafts. There is nothing in here about boards of directors. Nothing about expertise of the bank's president. The DCCA will essentially come up with the "business plan" to make it work. This HD 2 has revised the measure significantly. There are now 3 discrete parts:

"Part I – simply charges the DCCA, with the help of various other State agencies, to take approximately two years to undergo an intensive and extensive review of the State's laws for the express purpose of developing proposed legislation to establish a State Bank. The DFI commissioner will be charged with submitting status reports twice a year, and a final report before the 2014 legislature. The report will include a graduated schedule of how much of the State's reserves will be transferred from private banks to the State Bank. DFI/DCCA can assure the local banks can systematically adjust from the withdrawal of these monies to guarantee their safety and soundness. Relative profitability needs to be distinguished from safety and soundness. The proposal will also establish a program to be administered by the State Bank to purchase owner-occupied residential properties that are encumbered by mortgages to which the legal ownership is not adequately established. Some sum of money from the multi-state mortgage foreclosure settlement will be appropriated for this purpose.

"Part II – places the interim purchase program within the Hawaii Housing Finance and Development Corporation (current administrator of the Hula Mae mortgage program) until the State Bank is established.

"Part III – would actually establish a graduated schedule of how much of the State's reserves will be transferred from private banks to the State Bank.

"The *Huffington Post* article aptly explains that, *"in cases of foreclosure in which the mortgagee cannot prove its right to foreclose or to collect on the mortgage, foreclosure shall be stayed and the Bank of the State of Hawaii may offer to buy the property from the owner-occupant for a sum not exceeding 75% of the principal balance due on the mortgage loan. The Bank of the State of Hawaii can then rent or sell the property back to the owner-occupant at a fair price on reasonable terms."*

"The bill also allows homeowners who've been denied a modification under a federal loan modification program to apply for consideration. Foreclosure proceedings need not be initiated.

*"Just How Widespread is this Problem?"*

"Just a few weeks ago, on February 15, the New York Times reported that an audit of 400 recent in San Francisco County found that 84% contained "clear violations of law" and that two-thirds of these foreclosures contained 4 separate instances of fraud or illegality. This audit shows that this problem is pervasive.

*"Where the State can Profit:"*

"What is the potential risk? A homeowner may not be able to pay back the new loan, under new terms, that is issued by the State. But there can

be no accurate assessment of the risks is without looking closely at what the potential gain can be.

"Here's one possible scenario:

"Typical dual income family. One has been furloughed by the State, the other suffering a temporary health problem. They cannot keep up with their mortgage payments, but fully expect to in 6 to 8 months once the health issues are resolved.

"The home is worth \$500,000; and the family owes \$400,000 principal on the mortgage. The bank refuses to modify the loan, but has bad paper. The State Bank/HHFDC can purchase the loan for up to 75% of the principal - \$300,000. The family then rents the property from the State Bank for 6 months at a fair market value – which will go to the profit of the bank.

"If, after 6 months of consumer credit counseling, the family shows it can afford a mortgage loan, then the bank can decide to sell the property back to the homeowner for 90% of the original mortgage balance - \$360,000. In 6 months, the bank just made \$60,000, not including income from interest.

"If the family later decides to sell the property to a 3rd party, and the property value has increased, the family must share some of that appreciation – a figure that represents a proportion of the price the family bought the property back from the State Bank: \$360,000 divided by the sale price to the 3rd party. If the property appreciated in value by \$50,000 and is now worth \$550,000, then the family must pay to the State Bank 64% of the appreciation – which would be \$32,000.

"In this scenario, the State Bank invested \$300,000, saved this family from foreclosure, and made a profit of \$92,000, plus whatever it charged for 6 months of fair market rent. (The original bank took 75% of the loan principal, and is spared from the cost of litigating its right to foreclose.) The neighborhood benefits because there will be no blight or decreased property values created by a vacant home.

"If the family can't afford to buy the property back, the State Bank still has an asset worth \$500,000 (which may have appreciated) which it paid \$300,000 to attain. And can make at least \$200,000 on the sale of that property on the market.

"Mr. Speaker, we can leave homeowners to fend for themselves, or we can step in and take full advantage of the indiscretions of the behemoth banks so that we can help homeowners, enable the state to profit, promote responsible local lending for local people and businesses who need it, as well as relieve the big banks of their bad paper. This proposal is a win-win for all. Thank you, Mr. Speaker."

Representative Marumoto rose to speak in opposition to the measure, stating:

"Mr. Speaker, I rise in opposition to this measure. In the past I've called this a very socialistic proposal, and I still believe it is. I don't think it's wise for us to dedicate \$500 million to this particular hair-brained scheme. If the banks, if you can't get a loan there, you can probably get one through the Ag Department or through the DBEDT. Maybe a venture capital firm. So I think there's always money to be available for good investments. I don't think we should throw it away.

"Where do we get the money from? Do we get it from the Education Department? The Health Department? Human Services? I posit that they don't have a dime to spare for this particular venture. The Attorney General last month announced a \$70 million-plus plan to help purchase underwater mortgages in Hawaii, and help with people who have suffered from fraudulent practices. So I think we should wait to see what happens with this particular program and how it'll help some of Hawaii's homeowners. I think we should not go ahead with this bill. It's very unwise. Thank you."

Representative Johanson rose in opposition to the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Johanson's written remarks are as follows:

"I rise in opposition to HB 2103, Relating to the Bank of the State of Hawaii. While I am sympathetic to the hardships being endured by those facing foreclosures and have supported other measures in the House to mitigate the mortgage foreclosure situation in the past, I am extremely concerned about the systemic risk posed by a State Bank. I have doubts that the State is capable of effectively implementing and overseeing a project of this size and scope and successfully managing an operation of this complexity. I appreciate the intent of this bill as an effort to help those facing financial crisis, but this unprecedented undertaking of a conceptual State Bank constitutes a great risk for all the people of Hawaii and the future of our State's economy. For these reasons, I oppose this measure."

Representative Oshiro rose to speak in support of the measure, stating:

"I rise in strong support. First if I may have the words of the Representative of Ka'u, the Chair of the CPC Committee, adopted as my own. Mr. Speaker, I just wanted to emphasize the fact that this is a work in progress. There are a lot of i's to dot, and t's to cross. But the general intention is well placed and deserving of further work on it.

"I think the Chair of the CPC Committee hit the nail on its head. We still have a mortgage foreclosure crisis. It can probably get worse if you read the reports. If you're literate and can understand what the *New York Times*, *Wall Street Journal*, *Huffington Post*, etc. are saying about what might happen once the final settlement of the 49 states is enacted and approved by the judge.

"And while I'm on that, I think, Mr. Speaker, I think we need to remind ourselves as I did in the Finance Committee, there has been no acceptance by the court of that settlement. We do not know the final terms and conditions of the settlement. There has been no judgment or order by the court. So I'd put at this point in time, all we have is a nice press release, giving a little slap on the wrist for some of the Big 5 banks who benefitted from the TARP bail out of several years ago.

"I think this is well placed for us to consider on behalf of Hawaii's people who we're representing here today. Thank you."

Representative Souki rose to speak in support of the measure with reservations, stating:

"Yes, Mr. Speaker and Members. I wish to vote on this measure with reservations. I believe that the Chair of Finance mentioned that it's a work in progress and I will want to cautiously watch the bill as it develops. I believe it could be, and possibly is, premature. And the fact that you have a task force, and the task force should report to the Legislature as to the feasibility of having a State Bank.

"So, this might be a might too early yet to pass any legislation, but should it to be passed, then of course I would vote with reservations and watch it develop in the Senate, and back in Conference to see what comes out of it.

"Just let me make this oxymoronic statement again. One or the other needs to go. You cannot have a task force, and set up a system for the bank right away. Then you make the task force useless. So, it should be one or the other. Thank you, very much."

Representative Riviere rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I rise in opposition. I was going to sit quietly and just vote no, but a couple things were said and I've got to comment. I want to thank the previous speaker from Wailuku, Speaker Emeritus. I think he's right. The task force is something that needs to be handled first.

"I do support creation of the task force. Rushing headlong into this process is ill-advised. The comment I wanted to make is to not make a long speech, but there was testimony where it said, this Housing, Finance, and Development Corporation may purchase residential property occupied by one or more persons who hold title of the property. And here's the

clinger and here's what I don't understand. If the mortgagee's lien and its supporting documentation failed to adequately demonstrate the mortgagee has a right to collect the mortgagor's indebtedness. In other words this Legislature is challenging lenders saying, 'You have no right to foreclose on that property. But if you have no right to foreclose on that property because you don't have clear title, we'll buy it from you and then maybe we'll sell the property.'

"If we don't have clear title, if we're challenging perfect title, it is crazy for us to even pretend that we're going to buy something that has imperfect title. Thank you. I oppose this bill."

Representative Ching rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. In opposition. And I think that it's an inappropriate thing to say 'Big 5 banks.' I know what the Big 5 is, and I don't think our banks are the Big 5.

"Our banks are some of the award winning banks and I don't think that it's elitist to say, 'Oh, I believe in my bank who gives small businesses their loans.' I think that's class warfare. If you do your homework on North Dakota, I urge all the Members to do so, it ain't Hawaii. We're one of the few states that has the golden cash cow, the golden egg of tourism. Boy, let's go see how much income and revenue comes in from tourism. But we don't have a real great track record on how we spend our money. So now you want to make a State Bank? Thank you, Mr. Speaker."

Representative Herkes rose to respond, stating:

"Second time, in support. We can give title if we cram down on the bank. We can give title. I want to give you a couple of observations and real life things that have happened.

"There was somebody who works at the Volcano Arts Center. Their family owned a home in Pahala. There is no way that they could deal with Bank of America so they walked away from the house. They could have rented it. That home has been vacant now for three years. I don't know how that benefits Bank of America. I don't know how that benefits the people that left it. And I don't know how that benefits the State of Hawaii. In this case I think that Bank America would have been a lot better off with 75% of that mortgage than having it just sit there doing nothing.

"There was another case with a Mrs. May who was dealing with one of the major banks. She wanted a remodel and what the lender told her was, 'Don't pay your mortgage and then we'll deal with the remodel.' So that's what she did. She took the lenders advice and then they foreclosed on her. And the only reason she knew about it was that her real property taxes went from a few hundred dollars, to a thousand because the lender no longer had the exemptions. She no longer owns her home, although she did exactly what the lender told her to do. This proposal gives Mrs. May an opportunity to deal with that abusive short lender. Thank you."

Representative Tsuji rose to speak in support of the measure, stating:

"Thank you, very much. I rise in support. I'll try to address certain questions that were, or points of view that were brought up here this afternoon or even previously. The Representative from Ka'u, Volcano District has emphasized about, may consider repurchasing mortgages, and did emphasize 'may.' Countering that as has been said by the adverse force, who says, 'How can you purchase one without clear title?' I think this is the whole topic about this mortgage that is known as subprime mortgages because of the lending procedures and the disclosure procedures that were improper, mortgages were being defaulted and including title.

"However, if the purchaser, like the Representative from Ka'u, Volcano stated, that there may be a possibility to repurchase, that would be without doubt, considering holder in due course. In other words, the new mortgagee would be compelled and impelled to protect the State Bank and make sure that you have rights. In fact, not only rights to title, but superior rights. Also this portfolio as stated in this bill, says there will be a review about repayment source, income verification, and counseling service. But is this not what even community banks that we have here in the State of

Hawaii are trying to really do under the CRA, the Community Reinvestment Act?

"Therefore I applaud the author of this legislation in trying to bring back and promote community endeavors. Some of those testifiers are fearful also, that the banks would be in competition. That the State Bank of Hawaii would be in competition with our neighborhood or local banks. I say, fear not. In the terms of lending, it has been emphasized that we could do participation or guaranteed lending. What does that mean? Collaboration, not competition. This legislation also says what is the minimum capitalization. What's the purpose of that? Again, to make sure that funds would be able to be processed out to our local banks, and to have liquidity in our financial institutions throughout the State of Hawaii. Thank you, very much."

Representative Pine rose to speak in opposition to the measure, stating:

"Yes, in opposition and rebuttal. Mr. Speaker, I first want to mention that I take great umbrage in the type of discussions of class warfare that has been mentioned, or implied, since 9 o'clock this morning. This does not solve the problems that we need to solve. I come from a poor Filipino immigrant family. We lived in poverty for many years. I represent the district that has the highest mortgage foreclosures in the State, and the reason I'm against this bill, Mr. Speaker, is because this bill will not help those that are suffering with mortgage foreclosures."

"On one hand, I hear these passionate speeches saying we're going to save these people. And you evil people who are against this bill, shame on you. And on the other hand Mr. Speaker, I said, 'Oh but this doesn't require us to buy these mortgages. It says, may.' Is this going to help these people or not? I say no. Just by the discussion I've heard today, I'm confused. Actually I'm not confused, Mr. Speaker. Although, many of you do confuse me sometimes. It actually makes it even more clear that we are all over the place with this bill, Mr. Speaker. That we don't know what we're focusing on."

"I have a solution. While we have this task force, why don't we use the money we get in the settlement to actually put in a fund that already exists. And instead of saying 'may' help these who are suffering, Mr. Speaker, how about we say, 'shall'. We don't even have to create a bank for that, Mr. Speaker. I want to support this idea, Mr. Speaker and that's why I support the task force. But this bill does not help people who are suffering from mortgage foreclosures."

Representative Oshiro rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Oshiro's written remarks are as follows:

"Mr. Speaker, I rise in support of House Bill No. 2103, House Draft 2. This bill would direct the Department of Commerce and Consumer Affairs to draft legislation to establish a state-owned bank. The bill would also require the Hawaii Housing Finance and Development Corporation to establish and operate a "mortgage cleansing" program to assist the homeowners of foreclosed properties."

"Generally speaking, we, as lawmakers, are generalists who set the broad policy decisions for the State. Because the issues raised by House Bill No. 2103 are multi-faceted, complex, and very technical by their very nature, any undertaking to establish a state-owned bank must proceed cautiously to ensure that unintended consequences do not occur."

"The establishment of a state-owned bank will require the harmonization of statutes pertaining to banking, lending, housing, land use, development, leases, contracts, and finance. It will also likely entail other issues that have not yet been broached at the committee level. These would include, among others, the position classifications of prospective employees, the job skills of government workers, and the availability of government facilities to fully implement this important policy goal."

"The scope of this undertaking is massive. To my knowledge, the closest we've seen in this generation has been the recodification of Hawaii's banking laws in 1993. For those who were not here back then,

the Legislature spent \$350,000 over a three-year period to have the Department of Commerce and Consumer Affairs to review all of the banking laws and rewrite them."

"In my mind, the best people to draft the enabling legislation for the establishment of a state-owned bank are the experts – the government regulators and administrators in the various departments and agencies of the State. And who better to spearhead this effort than my former colleague, the Commissioner of Financial Institutions, whose in-depth critiques of the state-owned bank bills have made it so clear that she and the administrators of the various departments and agencies are much better capable of drafting such important legislation."

"In developing this bill, I have consulted extensively with the Chair of the Committee on Consumer Protection and Commerce, and will continue to do so as this measure proceeds. In addition, I will also consult with the Chairs of the Labor Committee, the Committee on Economic Revitalization and Business, and the Housing Committee to ensure that their contributions are shared as we shape this new public policy."

"The funding for this review will come from the recent multi-state settlement on mortgage foreclosures. Let me emphasize, it is your Committee's intent that no general funds be used for this review."

"Capitalization would be realized through the use of the State's deposits. According to the Department of Budget and Finance, more than \$2.8 billion of state funds are currently deposited with Hawaii-based financial institutions, for which the state spends more than \$500,000 each year in general funds to pay their administrative fees."

"Last Wednesday, a proposed draft containing these provisions was heard. Based on the testimony received, your Committee found that:

- (1) Conceivably, there are numerous options available to the State in capitalizing a state-owned bank. These include bond financing, ARRA funds, transfer of tax revenues deposited with private financial institutions, and settlement awards from the banking industry. It is the role of the Legislature, and in particular, your Committee on Finance, to determine the most effective and efficient utilization of all of these resources to implement the public policies we establish.
- (2) The transfer of tax revenue deposits from private financial institutions to a state-owned bank would need to be gradual to mitigate the impact it will have on the lending ability of Hawaii-based financial institutions. However, in the long run, any decrease in lending capacity by some banks will likely be offset by the increased lending opportunities of other financial institutions, such as savings and loans and credit unions, as well as those provided by the state-owned bank.
- (3) The Attorney General's settlement of mortgage lending litigation must be scrutinized further to fully determine the ramifications this agreement will have on Hawaii's consumers.
- (4) Additional work must be done to provide adequate relief to consumers who have been injured by out-of-state banks. As such, I will continue to work with the Chairs of CPC and Housing to move a measure creating a "mortgage cleansing" program after crossover.
- (5) Pursuant to the Constitution, it is the Legislature and not the Attorney General that determines how state funds are appropriated. Any funds received by the AG as part of the settlement should be appropriated as the Legislature determines.

"It should be noted that this measure received broad support from advocate organizations, such as the Legal Aid Society of Hawaii, IMUAlliance, and FACE, as well as business organizations such as the Hawaii Farm Bureau."

"In addition, your Committee received supportive testimony from Hawaii-based businesses as well as "green" businesses situated outside the State."

"The best summation heard (and prophetic) was the testimony of Mike Krauss, President and Chair of the Pennsylvania Project, a non-partisan and non-profit public policy advocacy organization chartered in the Commonwealth of Pennsylvania. He wrote:

*"We understand the attraction of a study, but other studies have generally been an opportunity for large, out-of-state banks to kill the proposed legislation, which they fear (and perhaps rightly so) will deprive them of deposits and business. We understand that.*

*"But we believe that 'too-big-to-fail' banks have had their day, with ruinous consequences, and if a study is decided, we urge that it be to determine HOW to proceed with a state bank, and not WHETHER to proceed. . ."*

"House Bill No. 2103 serves as a blue print on HOW we should proceed. In my view, it is a logical approach for the Legislature to advance if there is sufficient political will to pursue this policy goal. It relies on the expertise of our departments and agencies. It provides the resources for administrators to do the job. It sets forth a reasonable timetable to make implementation gradual so that any negative impacts on private financial institutions can be lessened. And, it provides a mechanism to address the mortgage foreclosure crisis in our State.

"In my view, this is a pro-business, pro-consumer protection, and pro-economic development bill. And most importantly, this bill puts our citizens first before the profits of a few big banks.

"In these dire economic times, we must be bold and make no mistake, this bill is bold.

"For these reasons, I urge your favorable consideration of this bill."

At this time, Representative Chong called for the previous question.

At 3:44 o'clock p.m., Representative Choy requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 3:45 o'clock p.m., with Speaker Say presiding.

Representative Awana rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I rise in strong support and ask to insert written comments, as well as include the comments made by Representatives from Ka'u, South Hilo and Wahiawa. Thank you Mr. Speaker," and the Chair "so ordered." (By reference only.)

Representative Awana's written remarks are as follows:

"Mr. Speaker I stand in strong support and I ask that the words from the Representatives from Kau, South Hilo and Wahiawa be entered into the Journal as if it were my own. In addition Mr. Speaker we have had too many foreclosures, people who are struggling to keep afloat. As a legislative body, Mr. Speaker, I see it our responsibility to seek alternatives to address this economic meltdown in Hawaii. Sitting patiently will not make it go away. Doing nothing is not acceptable at a time when residents and businesses need us the most. Thank you, Mr. Speaker."

Representative Pine rose in opposition to the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Pine's written remarks are as follows:

"Thank you, Mr. Speaker. I stand in opposition to HB2103 for many reasons. This bill would create a state bank outright. I feel that it would be irresponsible to take such a large risk with taxpayer dollars. There are far too many unknowns at this point in time.

"As other speakers have noted, North Dakota is the only state to own and operate a public bank. Mr. Speaker, North Dakota is an extremely different state than ours.

"The bank would require a significant amount of initial capital investment in a time when we ought to be most careful with taxpayer dollars. And the risk would be immense: North Dakota's public bank deposits are backed by the full faith and credit of the state and are not insured by the Federal Deposit Insurance Corporation (FDIC). Furthermore, this bill would not even require most of its directors to have any experience whatsoever in banking. That would be like entrusting someone with no expertise to perform a complicated brain surgery. No matter how good one's intentions, they cannot substitute for skill.

"The government should not try to become expert in all industries. I believe in the strength and fortitude of our people instead. Thank you, Mr. Speaker."

Representative M. Lee rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative M. Lee's written remarks are as follows:

"Mr. Speaker, I rise in support of HB 2103, HD 2, Relating to the Bank of the State of Hawaii. Contrary to some of the comments heard on the Floor, tough economic times are really the appropriate time to think of establishing a State Bank.

"Many local banks are struggling, and credit for small businesses and consumers is tight. Therefore a number of states have introduced legislation for state-owned banks. In addition to Hawaii; Maryland, Illinois, Virginia, Oregon and Massachusetts are considering the idea. A State Bank need not be built of bricks and mortar, but most likely be a "virtual" branch.

"The growing movement to establish local economic sovereignty thru State owned banks has been encouraged by many progressive grassroots organizations in the states - it may be that the time is right for Hawaii to act. Therefore, I support this bill."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2103, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE BANK OF THE STATE OF HAWAII," passed Third Reading by a vote of 43 ayes to 8 noes, with Representatives Ching, Fontaine, Johanson, Marumoto, Pine, Riviere, Thielen and Ward voting no.

At 3:47 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2611, HD 2  
 H.B. No. 2760, HD 2  
 H.B. No. 1694, HD 2  
 H.B. No. 2169, HD 2  
 H.B. No. 1671, HD 2  
 H.B. No. 1840, HD 3  
 H.B. No. 2103, HD 2

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 925-12) recommending that H.B. No. 1974, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1974, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Souki rose to disclose a potential conflict of interest, stating:

"Yes, Mr. Speaker. I'm a veteran. I request a ruling on this," and the Chair ruled, "no conflict."

Representative Souki continued to speak in support of the measure, stating:

"Thank you very much. I'm in strong support of the measure. Hopefully it will be some years from now."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1974, HD 2, entitled: "A BILL FOR AN ACT RELATING TO VETERANS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 928-12) recommending that H.B. No. 2514, HD 2, as amended in HD 3, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2514, HD 3, pass Third Reading, seconded by Representative Evans.

Representative Marumoto rose to speak in opposition to the measure, stating:

"Mr. Speaker, I rise in opposition to this measure. This bill has some admirable qualities. It raises the total number of Paroling Authority Board Members from 3 to 5. It increases the percentage collected from inmates for victim restitution from 10% to 25% of an inmate's account. It requires as part of a prisoners parole plan, a prisoner to leave a phone contact where the prisoner can be reached.

"Other parts of the bill, however, are cause for concern. During a Public Safety and Military Affairs Committee hearing, Honolulu's Prosecuting Attorney Keith Kaneshiro noted that there seemed to be, and I quote him, 'a single minded effort to release more individuals from custody without clearly defining how this will be done consistent with the needs of both public safety and victim safety.' End quote.

"Some amendments have been made to the bill, however he still expressed many of his same concerns at a recent House Finance Committee hearing. The first concern is that the bill mandates a pre-trial risk assessment within three days of an accused person's admission to a Community Correctional Center, unless the accused is subject to county or State detainers hold, or is detained without bail, detained for probation violation facing revocation of bail or supervised release, or has had a pre-trial risk assessment completed prior to admission to the Community Correctional Center. Mr. Kaneshiro stated that the consequences were unclear if the Department of Public Safety failed to meet this three day deadline.

"The bill has since been amended, but the uncertainty remains. Further, while the current House Draft 3 has been amended to call the assessment an internal assessment, it requires the submission of the risk assessment to the court hearing the inmate's case.

"I'd like to note the testimony of Mr. Linblad, bail agent and former pre-trial release officer. He strongly objected to the idea of a risk assessment within three working days. That is too little time for an accurate assessment. He noted that sometimes accused persons are still under the influence and may not provide proper information for an accurate assessment. Further, it may take time to obtain background information.

"The second concern is with regard to the fact that if a parolee violates parole, the longest amount of incarceration that he or she can receive for the violation is six months. The exceptions are for those who have: one, been charged with a felony; two, left the State without permission; three, violated conditions applicable to sex offenders; or four, been previously imprisoned for violating the conditions of parole on the current offense.

"As Mr. Kaneshiro has noted, if there are factors that lead the Paroling Authority to believe a particular offender should be incarcerated for longer than six months, up to his or her maximum term, then HPA should have the discretion to make that decision, as this is clearly within its area of expertise.

"The third concern is that the bill mandates supervised parole release of Class A, Class B, and Class C felons, prior to the expiration of their maximum terms. The length of supervised release varies by felony class.

"Given the way the bill is drafted, the Board may set an earlier release date if it wants to, but if it doesn't set an earlier release date, then the Paroling Authority cannot deny supervised release to a maxed-out inmate, regardless of whether or not the inmate is a management problem, regardless of whether or not the inmate refuses to cooperate with those in authority, and refuses to acknowledge that he is responsible for his or her own actions.

"We should consider that such individuals may be among those who recommit crimes, while on supervised release. Or who may abscond, while on supervised release.

"Maui County Prosecutor John Kim, in a recent *Civil Beat* article on January 18th, stated, 'I don't see why we should extend supervision. They are just going to run away. And that has been our experience.'"

Representative Riviere rose to yield his time, and the Chair "so ordered."

Representative Marumoto continued, stating:

"Thank you, Representative. My concern is that this bill will pass due in part to the perception that we need to increase efficiencies and reduce the prison population. A common statistical sound bite that is cited in support of the bill is that while crime rates are down, the State prison and jail populations are up. Perhaps we need to ask ourselves, could it be that the crime rates are down precisely because the people who commit the crimes are in prison?"

"The bill makes unspecified appropriations for a number of employees, including parole officers. Before one votes for this bill, we should heed what Mr. Kaneshiro has noted. What you need to have is the parole and probation officers in place before you take the inmates out. I would add that it's going to take awhile to find the right people to fill those positions. Hard working, dedicated employees will be needed to deal with potentially troublesome offenders.

"In the same *Civil Beat* article, Burt Matsuoka, Chair of the Hawaii Paroling Authority, stated, 'some parolees are refusing to cooperate, and have a real attitude problem.'

"For the reasons I have noted, I will be voting no on House Bill 2514, House Draft 3. Thank you."

Representative Pine rose to speak in support of the measure with reservations, stating:

"In support with very strong reservations, Mr. Speaker. You know, we all come to this building because we've been motivated by something very strong in our lives to make a difference here. And for me, I've always been a victims' advocate. And that's where my perspective comes from. So I want to apologize to my friends in this building who have worked very hard on this bill who come from a different perspective. It is my hope that by the end of this Legislative Session, we will find a way to come together.

"But the reason I have reservations, and do support partial parts of this bill, Mr. Speaker, because there are parts of this bill that are good for victims, and that was mentioned earlier by the previous speaker. I do want to thank members of the organization that did work on this, for considering this part of the bill. This is very important for the victim community, and we appreciate them for that.

"But I think what's really troubling with this bill, Mr. Speaker, and what worries a lot of victims who see this legislation, not just in Hawaii but all over the nation, who have been calling me about this, is that we are trying to base this model on the Texas model, which is very successful. But Texas is very different from Hawaii, Mr. Speaker. Texas is known as a law and order state. It's been long tough on crime. Hawaii unfortunately, we are not known as such, and we are known in contrast as having a reputation of being a little bit more tolerant for criminals.

"In our State, courts tend to give convicted criminals chance after chance on probation, before even sending them to prison. This has deeply troubled many victims of crime in Hawaii, Mr. Speaker. This is especially true for first time offenders, and even second time and third time felony offenders, Mr. Speaker. In other words, only the worst criminals actually end up in our prisons in the State of Hawaii. They ended up there as the last resort, because they failed to take advantage of the multiple opportunities given to them along the way. Opportunities that gave them a chance to turn their lives around. To succeed in the community with the support of their probation officer, and stay out of prison.

"That's exactly why section 7 and 13 of this measure is so troubling to so many victims in this State, Mr. Speaker. They seriously restrict the Board's discretion and authority of our parole board. The very people who are in the best position to decide if and when an offender is ready to be released back into the community.

"Section 7 puts a limit on how long a parolee has broken rules and can be sent back to prison for. And the previous speaker briefly mentioned that.

"I do want to mention, Mr. Speaker, that in the 1990s, we did try to do something very similar, not exactly the same, but we conducted a trial emergency release program in the 1990s, where defendants on bail for \$11,000 or less, were released on the premise to appear with public supervision by the court. The City Prosecutor's Office was extremely opposed to this program, just like they are today, Mr. Speaker. The program was abolished at the end of the trial period, because the failure to appear was greater than 50%, and it scares victims of crime in the State of Hawaii, Mr. Speaker, that we are trying to do this again.

"According to the 2011 Annual Statistical Report of the Hawaii Paroling Authority, parole revocation hearings were held for 279 inmates from 2010–2011. Of those 279 inmates, 275 were charged with committing technical violations of their parole, or 98.5% of the cases. Ultimately, 236 of those 279 inmates had their parole revoked, and were sent back to prison.

"Obviously, these so-called technical violations can add up, and be so serious that the parole board needs to put the offender back into prison. So I'm sure that was what the complication of what the motivation behind this was those technical violations.

"But, section 13 is perhaps the most problematic portion of this measure, Mr. Speaker. Again, it's a mandate to the parole board. It's a mandate to the parole board, and ties their hands."

Representative Fontaine rose to yield his time, and the Chair "so ordered."

Representative Pine continued, stating:

"I apologize. In certain cases, the offender has prior felony convictions that make them repeat offenders who must serve a mandatory minimum prison term. Certain repeat offenders have such extensive criminal records that they are ordered to serve their full prison term with no possibility of parole. This is what's scary to these victims, Mr. Speaker. They are so dangerous, that they need to be in prison, and kept away from the public for as long as the law allows. This measure would completely do away with that. The measure would instead release the most serious offenders from prison, and give them parole, anywhere from 6 months to 18 months, before the end of their sentence, no matter what.

"Before and if they have committed the most heinous crimes, Mr. Speaker, even if they have demonstrated no interest in making any effort to rehabilitate themselves. Even if they have a history of running away from probation, or a drug treatment program. Even if they have a history of domestic abuse and stalking their victims the minute they get out of prison. No matter how many people they have hurt and how many rules they have broken, Mr. Speaker. This gives them freedom and a chance to hurt people again, in the eyes of the victims who are concerned about this bill. And the parole board will have absolutely no discretion. Is this what we really want for our communities, Mr. Speaker?"

"Mr. Speaker, I'm especially concerned about victims of domestic violence, or violent crimes. These victims can go about their daily lives counting on the fact that the perpetrator has been sent to prison, and that they and their families are safe. They know that as long as the perpetrator is in prison, they can maybe feel like they can survive another day. They know it won't be forever, but at least they have some comfort in knowing the perpetrator will be there for a good while. This measure changes all of that, in the minds of the victims that I've been speaking to.

"It will let those perpetrators thumb their nose at the system, by mandating their early release. The fact that the perpetrator will be on supervised parole isn't going to be any assurance to these victims. I had a woman who had a TRO against a man in Ewa Beach. She was hiding in my community, and he still found her, and he shot her in broad daylight. This brings chills down the spines of many victims that I know.

"Again Mr. Speaker, while this measure has respectable long-term goals, and I hope we can figure this out by the end of Session where we can all work together. The frightening truth is that it has an immediate effect on placing us, our families and our fellow citizens, at high risk. Risk of being victimized by offenders who are sent to prison for a good reason in the first place.

"So fellow Members, I apologize for this very long speech, but it was the best that I could do for the many women especially, that I'm working with that oppose this measure strongly. Mahalo."

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Aquino rose to speak in support of the measure, stating:

"Thank you very much, Mr. Speaker. In support. House Bill 2514 is a result of the collaboration between our Legislature, the Judiciary, the Administration, and other State and local entities. Justice reinvestment is a data-driven approach to reduce corrections and related criminal justice spending, and reinvest savings in strategies designed to increase public safety.

"The purpose of justice reinvestment is to manage and allocate criminal justice populations more cost effectively, generating savings that can be reinvested in evidence-based strategies that increase public safety, while holding offenders accountable.

"The justice reinvestment working group, which by the way is a bipartisan group, met with analysts and staff, with the CSG Justice Center to analyze our State's justice system, and has made policy recommendations to realize cost savings and reinvest these savings back into our system to reduce recidivism, decrease the prison population, and strengthen public safety.

"Key findings revealed that although crime and victimization rates have declined, as have arrests and felony convictions for violent and property crimes, incarceration however has not declined.

"This bill addresses three parts: the pre-trial process, parole, and payment of restitution. This measure amends statutes to require a 3 day pre-trial risk assessment and expansion of the parole board to increase frequency and efficiency of parole board meetings, and an increase in restitution to victims of crime.

"I would like to highlight some components of the bill that both supporters and opponents have worked hard to address. First of all, the intent of the 3 day risk assessment is to expedite the process for those that would most likely be released anyway. This language addresses the concerns that were brought up by two bail-bond companies, which clarifies that the 3 day deadline is an internal deadline or timeframe for PSD to expedite the evaluation, so the courts can figure out what they want to do. This is to ensure that PSD conducts the assessment on a timely basis. It's an internal tool.

"In working with the Hawaii Paroling Authority, language was inserted so that a detainee would receive credit for time served prior to

adjudication, or when a decision is made pending on a hearing on parole revocation. After further consultation with the Paroling Authority regarding the 6 month for technical parole violations, they will require additional information. Additional information that would really, really help, Mr. Speaker.

"In regards to the payment restitution, 25% of the total monies, total monies earned, through deposits, credits, to an inmate's account, will be deducted monthly, to go towards restitution payments. It is also important to note, Mr. Speaker, that this bill is budget neutral. It is not asking for new appropriations.

"A Governor's Message, which may come down soon, will require or ask the Legislature to transfer funds from our out-of-state contracts, into the different PSD programs. \$6 million or so in up-front costs to fund needed positions and provide program costs for pre-trial and re-entry programs will hopefully realize this year, or for FY13, \$2 million in net savings, and possibly nearly \$100 million in net savings from FY 2013 to FY 18.

"These savings will continue to increase over the years, as they are reinvested in expanding the various areas of pre-trial and risk-assessments, re-entry, and community-based treatment programs for pre-trial probation and parole officers, strengthening victim services and notification, and restitution collections."

Representative Awana rose to yield her time, and the Chair "so ordered."

Representative Aquino continued, stating:

"Thank you very much. And research and planning staff within the Department of Public Safety.

"By addressing these areas, this measure aims to reduce the cost of corrections, hold offenders more accountable, and re-invest those savings. Some may say that we are changing too much, too fast, Mr. Speaker. I don't believe that is the case. This bill is still a work in progress, but it is a step forward. Thank you, very much."

Representative Ching rose in opposition to the measure and asked that the remarks of Representative Pine be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Evans rose to speak in support of the measure, stating:

"Mr. Speaker, I rise in support and I want the words of the Chair of Public Safety in the Journal as my own.

"And I wanted to add that, there was a time where we were just about tough on crime. Make them have a punishment. They complete your time and then we put them back on the street. But I think we finally wised up and realized that we had to have reentry. We had to have reintegration. We had to try to at least attempt to make sure that people succeeded when they got out of prison.

"I think that the Chair of Public Safety was very eloquent in how he described what it is we're really trying to achieve. And I think what we're really trying to do is make sure that people do not get victimized. That we try to break the cycle. I really like the fact that this bill had all these people work on this, the Justice Center, and the people across the whole United States that realize that reintegration and reentry, and to actually invest in people so they succeed, is going to save us in the long run. Because we don't want to keep building prisons and incarcerating, because that's not a model that ultimately works.

"We incarcerate more people than any country in the world. Well, what's that all about? We've got to stop that trend. And so I really support, and want to thank the Chair of Public Safety for the hard work. Clearly this was a lot of work to get this bill where it needs to be. Thank you."

Representative Har rose in support of the measure with reservations and asked that the remarks of Representative Marumoto be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Pine rose to respond, stating:

"I just want to leave with this. I don't want to be remiss in reading an actual message from a victim.

Years ago, I was a victim of sexual assault. My attacker was released early, as this bill would release attackers early, in my opinion. And I have lived in fear ever since. Every day was frightening. Even without the man walking the streets free, but now that he is out I can barely function. I'm speaking for other victims who may feel the same way today. There will be widespread panic that could cripple Hawaii, in my opinion. I am writing this email to beg you, please do not let perpetrators of violent crimes off and get a 'get out of jail free' card. I fear that the consequences of letting them out are greater than you realize. If these people get out and continue breaking the laws that put them in jail in the first place, many lives will be in danger.

"So as you can see Mr. Speaker, no amount of restitution is going to put these victims at ease. So I hope we listen very strongly to their voice, and as we proceed, Mr. Speaker, we strengthen this area. Mahalo."

Representative Evans rose to respond, stating:

"Mr. Speaker, in rebuttal. I'd really like to speak to the person that wrote that letter, because when it comes to sexual assault, it takes maybe a lifetime to repair yourself from that. I'm not sure you ever recover. I'm sure the person that served their time eventually will get out. So I would say that we as the Legislature, and as a community, need to figure out how we are going to deal with sexual assault in general.

"This bill, because of the way it's written, with the planning and the people that are going to supervise, that they're going to work with them. If we want to talk about sexual offenders and go that route, then I would say, let's work on it this summer. Let's come back next year with bills that completely focus on sex offenders. Because that is a very unique group of people, and maybe we need to focus on that. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2514, HD 3, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," passed Third Reading by a vote of 47 ayes to 4 noes, with Representatives Ching, Marumoto, Thielen and Ward voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 929-12) recommending that H.B. No. 2515, HD 2, as amended in HD 3, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2515, HD 3, pass Third Reading, seconded by Representative Evans.

Representative Har rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Har's written remarks are as follows:

"Mr. Speaker, I rise with reservations on Standing Committee Report 929-12, House Bill 2515, House Draft 3. This is a Justice Reinvestment bill that would permit a sentence of probation for certain second-time drug offenders and a three-year probation term for individuals convicted of certain class B and C felonies, as well as increase the threshold property and services valuation for theft in the second degree to more than \$750. Mr. Speaker, I base my reservations on two reasons.

"First, shortening and restricting probation terms from five years to three years for Class B and C felonies is not necessary to cut costs. The law already allows for shorter probationary periods. Under Hawaii Revised Statutes, Section 706-623, at any time during the initial sentencing or at any late time, a defendant can be discharged from probation upon a motion to the judge by the probation officer, the defendant, or upon the judge's own motion. There is also the possibility of unintended consequences. If

the probationary term is too restrictive, prosecutors may be unwilling to risk probation plea bargains.

"A second reason I am with reservations on this bill is because of the increase in theft valuation from over \$300 to over \$750. Although the intent of this increase is to adjust for inflation, there is the unintended consequence of further encouraging professional shoplifters. The Retail Merchants of Hawaii reported in their testimony before the House Committee on Finance on February 23, 2012, that over 1% of annual sales, or \$240 million, is lost to theft. Chronic shoplifters and repeat offenders who know the system and understand the laws will only be persuaded to steal significantly more merchandise. Furthermore, this considerable loss in annual sales will undoubtedly affect consumers. Because stores will have to make up for a loss in revenue and counterbalance increasing insurance premiums resulting from stolen merchandise, the burden of cost will be unfairly passed on to the consumer.

"For these reasons, I stand with reservations on this measure. Thank you, Mr. Speaker."

Representative Pine rose in opposition to the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Pine's written remarks are as follows:

"I stand in opposition to HB2515, which permits a sentence of probation for second-time drug offenders, and a three-year probation term for individuals convicted of certain class B and C felonies. This bill also strives to increase the valuation amount for theft in the second degree from \$300 to \$750.

"We must consider the costs that lessening penalties for theft will have on our local businesses and consumers. Theft is devastating to our community. It forces businesses to pay for expensive security equipment, cameras, and the hiring of loss prevention workers. These costs, in addition to the actual value of the stolen merchandise, are then passed on to consumers. Small businesses that don't have the resources to implement these security measures would be among the hardest hit if this bill passes.

"Many repeat offenders for theft stay informed on the laws and the specific penalties associated with each degree in order to avoid receiving higher charges and harsher penalties. If we increase the valuation amount, criminals who have previously only stolen goods valued at less than \$300 to avoid being charged for theft in the second degree would now be able to steal up to \$750 dollars while still receiving the second degree charge. Repeat offenders are going to take advantage of an increase in the valuation and almost be encouraged to steal more expensive goods and services if this bill passes. Thank you, Mr. Speaker."

Representative Marumoto rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative McKelvey rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Ching rose in opposition to the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ching's written remarks are as follows:

"Thank you, Mr. Speaker. I stand in opposition of H.B. 2515 HD3, which permits a sentence of probation for certain second-time drug offenders and a three-year probation term for individuals convicted of certain class B and C felonies and increases the threshold property and services valuation for theft in the second degree to more than \$750.

"Drug offenders should be punished for committing a crime as public safety and accountability are vital to crime deterrence. I am concerned that this bill is too lenient towards second time offenders; this bill allows for second time offenders to be given probation instead of jail time, however, lowering the population is not the main priority; the safety of our residents is. The testimony provided by Brian Iwaishi, Loss Prevention Manager of Times Super Market states that "this [bill] will only increase the theft

problems retail establishments face every day. As some of you have noticed many retail establishments have increased their efforts to combat the rising problem of theft by installing EAS security systems, more cameras, security guards and loss prevention personnel in an effort to reduce the theft problem and losses from associated with theft."

"I urge the Committee to defer this bill. Thank you."

Representative Fontaine rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2515, HD 3, entitled: "A BILL FOR AN ACT RELATING TO CRIME," passed Third Reading by a vote of 47 ayes to 4 noes, with Representatives Ching, Pine, Thielen and Ward voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 930-12) recommending that H.B. No. 2415, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2415, HD 2, entitled: "A BILL FOR AN ACT RELATING TO MEDICAID," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 932-12) recommending that H.B. No. 2275, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2275, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Ching rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ching's written remarks are as follows:

"Mr. Speaker; I rise in support; however with reservations, to HB 2272 and the companion measure HB 2275. These bills would impose a 3% additional fee on long term nursing care facilities and on hospitals in the State of Hawaii.

"While the intended purpose of the fee is to help Hawaii draw down more Medicaid funds by providing a match for federal Medicaid dollars, this is laudable since Hawaii needs to obtain all of the federal Medicaid support that is available. The approach of adding a fee on top of existing nursing care and hospital costs is flawed. This fee will only add to the already high costs of medical care in Hawaii and could particularly injure long-term care homes who already struggle to cover the expenses of taking care of our *kupuna* and disabled.

"A better approach would be to convert the existing GET tax that is paid on medical care and make this a fee that could be used for Medicaid matching funds. Doing this would avoid the need to increase already costly medical expenses and would still allow Hawaii to draw down Medicaid moneys. I hope our colleagues in the Senate will consider this alternative as a sensible, fiscally prudent approach to help our hospitals and care facilities with uncompensated care. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2275, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HOSPITALS," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 936-12) recommending that H.B. No. 2358, HD 2, as amended in HD 3, pass Third Reading.



Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2358, HD 3, pass Third Reading, seconded by Representative Evans.

Representative Rhoads rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Herkes rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In very strong support. This proposed legislation is critical for Hawaii's faltering economy. If enacted, it will put people back to work, and people into homes that they can afford. Mr. Speaker, this bill is an attempt to find a balance between public safety and costs.

"Mr. Speaker, some background information. There has been a steady decline over the last few years in building permits for single family homes, but an increase in owner-builders. And you know they're not completely complying with the code. Who knows how many homes or home improvements are built with no permits at all.

"Mr. Speaker, it's been estimated that as many as 80% of the homes built in some rural areas of Hawaii Island are built with no permits at all. As one newspaper reporter suggested to me that he thinks this figure is too low.

"This also means that these homes or home improvements are not reflected on the Hawaii County tax rolls. Why? Our building codes have become too excessive and costly.

"The *Pacific Business News* on Thursday, January 19, 2012, reports that Hawaii has lost 30% of its construction jobs in 4 years. *West Hawaii Today* on January 19, 2012, reports that bids for Big Island Gym roof repair, were 3 times higher than expected. Why? Changes to the County fire code are blamed. There was a similar problem with the Hilo High School Gym, and we are experiencing the same problem with the proposed Ka'u High School Disaster Shelter Gym. And because of the requirements of the building code, it will no longer be a FEMA approved facility.

"Wikipedia defines a building code as, quote 'A building code, or building control, is a set of rules that specify the minimum, minimum, acceptable level of safety for constructed objects such as buildings and nonbuilding structures,' close quote. The *Star Advertiser* reported that the Board of Water Supply, in April, began enforcing a 34 year old rule that requires home owners seeking building permits to install a sprinkler system if their home is more than 175 feet from the nearest fire hydrant, or the nearest fire hydrant has a flow rate of less than 1,000 gallons per minute.

"The Fire Council also believes that minimum road widths are required before building permits should be issued. Mr. Speaker, there are thousands of people on Hawaii Island who live on private, below-standard roads, who will ask you, 'What's a fire hydrant?' I have two 30-mile stretches in my district with no potable water and no fire hydrants. And I assume that people like me cannot improve their home or build.

"Mr. Speaker, in reviewing the testimony before the Finance Committee, it was interesting to note that many testifiers in opposition of the bill, benefit financially from complex building codes. The others, such as the State Civil Defense, who are in opposition to the proposed bill. Obviously, a civil defense job would be easier if every building in the State, including barns and greenhouses, were built of concrete and had fire sprinklers. This, in spite of a statement in *Forbes* magazine by Ray Lovell, spokesperson for the Hawaii State Civil Defense, in a report of the safest and least safest places in Hawaii, that said that Hawaii is the safest place in the country, the safest place in the country from natural disasters.

"Members, why weren't the contractors and developers out in strong support of this bill? Members, this should be of concern to everyone on this Floor. They are afraid of getting on the bad side of county public works departments and having their permit applications held up for no reason. And people in the Hawaii County told me the same thing.

"Mr. Speaker and Members, I have talked about this bill through just plain people on the street. And they say, 'Wow, you're going to put people to work? And have homes that people can afford to buy?' Then they add, 'Do something about the hurricane insurance.' And we're trying to do that too."

Representative Ichiyama rose to yield her time, and the Chair "so ordered."

Representative Herkes continued, stating:

"I'm through. Members, please support this 'make sense' bill."

Representative Oshiro rose to speak in support of the measure, stating:

"I just rise in support. Strong support. But I need to point out for the record that there was an error in the Committee Report, House Standing Committee Report No. 936-12. In the Report that you have received, that's on file, there should have been two lists of testifiers in support. Actually there was one list of testifiers in support, and testifiers in opposition.

"So those in opposition include testimony from the Department of Defense, State Fire Council, Honolulu Fire Department, Maui County Council, Department of Planning and Permitting of the City and County of Honolulu, Department of Fire and Public Safety of the County of Maui, Kauai Fire Department, Hawaii Steel Alliance, National Fire Protection Association, Insurance Institute for Business and Home Safety, Structure Engineers Association of Hawaii, and numerous individuals. Thank you."

Representative Ching rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2358, HD 3, entitled: "A BILL FOR AN ACT RELATING TO THE BUILDING CODE," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Fontaine and Riviere voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 937-12) recommending that H.B. No. 2553, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2553, HD 2, entitled: "A BILL FOR AN ACT RELATING TO BUILDING DESIGN FOR PERSONS WITH DISABILITIES," passed Third Reading by a vote of 51 ayes.

At 4:23 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 1974, HD 2  
H.B. No. 2514, HD 3  
H.B. No. 2515, HD 3  
H.B. No. 2415, HD 2  
H.B. No. 2275, HD 2  
H.B. No. 2358, HD 3  
H.B. No. 2553, HD 2

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 938-12) recommending that H.B. No. 2519, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2519, HD 2, entitled: "A BILL FOR AN ACT RELATING TO EARLY LEARNING," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 944-12) recommending that H.B. No. 2703, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2703, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Ching rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. Just in strong support, and I think it's kind of probably obvious. So written comments, please."

Representative Ching's written remarks are as follows:

"Thank you, Mr. Speaker. I stand in strong support of H.B. 2703-Relating to Self-Sufficiency. This bill creates a new chapter in the Hawaii Revised Statutes requiring the Department of Agriculture to develop a food sustainability standard to promote local food production to help diversify the local economy.

"H.B. 2703 has the ability to promote local food production that creates jobs, while strengthening and diversifying the local economy. I firmly believe that this measure would funnel more money to local Hawaii farmers rather than farmers on the mainland and other countries. Not only this, H.B. 2703 would improve food security and leave us with a stronger footing in the case of natural or manmade disasters that subsequently disrupt food importation. Thank you."

Representative Pine rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Pine's written remarks are as follows:

"I strongly support HB 2703 HD2, which would require the State Department of Agriculture to develop a food sustainability standard that promotes local food production and thereby strengthens and diversifies our local economy.

"The Sierra Club Hawaii Chapter, the Hawaii Food Policy Council, Olinda Farms and numerous individuals join me in supporting this important measure.

"HB 2703 HD2 would improve food security – a vital goal given that Hawaii currently imports about 90 percent of its food and we have only a ten-day supply of fresh produce at a given time.

"Hawaii currently spends an estimated \$3 billion annually on food imports. According to the Department of Agriculture, replacing just 10 percent of our food imports with local produce would create more than 2,300 jobs.

"Moreover, the people of Hawaii would enjoy fresher, more flavorful produce grown in local fields and sold by local businesses.

"Hawaii's dangerous overdependence on imported food leaves our residents vulnerable to rising oil prices that could significantly increase the cost of shipping. We are also vulnerable to food supply disruptions in case of natural or manmade disasters.

"In summary, HB 2703 HD2 promotes the growing of local food for local consumption. This initiative would enhance our quality of living, improve food security, support the local agricultural industry, create new jobs and keep billions of dollars circulating in our economy.

"For all the above reasons, I strongly support HB 2703 HD2 Relating to Food Sufficiency."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2703, HD 2, entitled: "A BILL FOR AN ACT RELATING TO FOOD SELF-SUFFICIENCY," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 946-12) recommending that H.B. No. 2019, as amended in HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2019, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Riviere rose to disclose a potential conflict of interest, stating:

"Before I go further, I was going to do this on the next measure, but I should ask for a potential conflict of interest. For Stand. Com. Rep. Nos. 946 and 948, and actually for a couple of mortgage related bills that occurred earlier today, if that's possible. I am a mortgage loan officer. So for any bills related to mortgages today, I'd like to ask for a blanket ruling," and the Chair ruled, "no conflict."

Representative Riviere continued to speak in opposition to the measure, stating:

"On Stand. Com. Rep. No. 946, it relates to mortgage deficiency judgments. Everything I do when I get up to stand is about fairness. People may disagree with my position, but I'm always going to stick to what I believe is fair and proper. And this bill would change the law such that no lender could solicit mortgage deficiency judgments. That is voiding of contracts, contracts that have existed over the last 30 years that have been made, mortgages that have been made on the premise that a lender could seek deficiencies under certain circumstances.

"This bill on its face I believe would be constitutional, and I guess that will be found out later. It did attempt to do something that was reasonable in that it did attempt to say, well someone who bought their house, they financed it, and then the value went down and they got in trouble. Then they cannot afford it. That is an admirable goal, because that is of no fault of the borrower.

"The bill presently though has been expanded to include refinances, and that opens up a whole world of trouble, because of people who have been taking cash out, the value falls, and they walk away from it. And they may own other properties or assets, or maybe they didn't make their mortgage payment, they're saving up for whatever they're going to do next.

"To blanket wipe out mortgage deficiency judgments is a bad idea, and the fact that it's not even prospective is a terrible idea. Thank you."

Representative Keith-Agaran rose to disclose a potential conflict of interest, stating:

"I request for a ruling on a possible conflict. In my practice we do take on cases that sometimes involve mortgages," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2019, HD 1, entitled: "A BILL FOR AN ACT RELATING TO MORTGAGES," passed Third Reading by a vote of 48 ayes to 3 noes, with Representatives Ching, Marumoto and Riviere voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 948-12) recommending that H.B. No. 2501, as amended in HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2501, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Riviere rose to disclose a potential conflict of interest, stating:

"For Stand. Com. Rep. Nos. 946 and 948, and actually for a couple of mortgage related bills that occurred earlier today, if that's possible. I am a mortgage loan officer. So for any bills related to mortgages today, I'd like to ask for a blanket ruling," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2501, HD 1, entitled: "A BILL

FOR AN ACT RELATING TO MORTGAGE LOAN ORIGINATION," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 949-12) recommending that H.B. No. 1848, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1848, HD 2, entitled: "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 950-12) recommending that H.B. No. 2773, HD 2, as amended in HD 3, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2773, HD 3, pass Third Reading, seconded by Representative Evans.

Representative Aquino rose to disclose a potential conflict of interest, stating:

"Mr. Speaker, I request a ruling on a potential conflict. I work for a nonprofit that serves as a fiscal agency for one of the program sites. Thank you," and the Chair ruled, "no conflict."

Representative Pine rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Pine's written remarks are as follows:

"I strongly support HB 2773, which appropriates \$336,000 to the Young Men's Christian Association of Honolulu to support the Weed and Seed program on Oahu.

"The Weed and Seed Program has reduced crime and increased community involvement in Ewa Beach and Waipahu. Our communities are better because of this program. I offer my full support and gratitude to the Weed and Seed Program."

Representative Cullen rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Cullen's written remarks are as follows:

"Mr. Speaker, I stand in support of this measure because I believe we should commend and show our appreciation to the men and women who work with the Weed and Seed Program of not only my district – District 41 – but also those of other districts of the struggling communities a safer place. They continue to be a great asset to the State."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2773, HD 3, entitled: "A BILL FOR AN ACT RELATING TO THE WEED AND SEED PROGRAM," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 951-12) recommending that H.B. No. 2152, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2152, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Souki rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, I wish to speak on this measure with reservations. The original intent of this bill was that we provide some medical relief to labor, to increase the Medicare formula from 110 to 130. The formula, from 110 to 130, to provide for the working people on workers comp accidents was

from 1995. So its approximately 17 years or more that has passed since that time without any change at all.

"Employees, labor who has been injured in the job, have been having a very difficult time, if not impossible, to find a doctor, a primary care doctor, to provide medical treatment. And so what it does is, it prolongs the patient's injury and rehabilitation. They are not able to go to work, and in the end it costs a lot more.

"The action that the Committee took, and I can understand, it's very difficult making hard choices when you are in a Committee. The basis for making a study was what they perceived as what the Labor Chairman wanted as he made his testimony. But let me give you some excerpts from the Labor Chairman. This was to the Labor Committee, but I said basically the same thing to the Finance Committee. This is from the Chairman. It says:

The Department supports the intent of increasing the allowable charges for medical care, services and supplies above the current one hundred ten percent (110%). We offer the following comments:

ACT 234, effective June 29, 1995 amended Section 386-21 to provide that charges for services shall not exceed 110% of Medicare Resource Based Relative Value Scale system. Act 234 was implemented in response to physicians' concerns that reimbursement rates were too low. Overtime, the reimbursement rates of providers have failed to keep pace with the higher costs of medical care, leading some physicians to opt out of providing treatment to injured workers in the workers' compensation system.

The Department is aware that any increase in reimbursement to medical providers may result in additional cost and higher insurance fee premiums for employers. The Department notes that from 2005 -2010, Workers' Compensation premium levels have cumulatively decreased by 69%. This trend of decreasing premiums may be reversing, however, as evidenced by the leveling of premium costs last year.

The Department believes a reimbursement of 110% of Medicare to medical providers who treat injured workers is inadequate. The Department, however, has some concerns health care providers who are already adequately compensated for their services would receive an increase in allowable charges if the ceiling for charges were raised to 130% of Medicare."

Representative Ichiyama rose to yield her time, and the Chair "so ordered."

Representative Souki continued, stating:

"Thank you very much, Representative.

The Department can and has adjusted reimbursement rates based upon surveys of prevalent charges when the surveys indicated reimbursement rates were higher than Medicare. Changes to reimbursement rates are made to the Department's Supplemental Fee Schedule known as Exhibit A of the Medical Fee Schedule Administrative rules.

"Let me make mention that the previous Administration failed to update the Medical Fee Schedule on a regular basis. That further aggravated the problem. And presently, as we have no information on that, but the anecdotal information is they are not getting the care that they need from the Department of Labor, who needs to provide the automatic that goes through appeals, and that takes a long time.

"So what he proposed, as an alternative approach to an across-the-board increase in allowable charges to 130% of Medicare reimbursement rates. The Department suggests the Legislature look at providing some relief attached to a comprehensive study on long-term fiscal impact of this relief in the context the adjustment would have.

"So what he's saying in effect is that some relief should be provided, and not maybe the 130%. Maybe somewhat lower. But he would want also at

the same time they provide the relief, and that a study be made to see the kind of impact this relief is having on the providers.

"However, that section was not taken in total. In the wisdom of the Finance Committee, they chose only to make a study. The danger with that, if you're only going to make a study, is the practicing providers are not getting reimbursed enough, and will not be providing the care to injured workers, which will be prolonging the rehabilitation period and making additional and higher costs to the State of Hawaii.

"So I ask that the Finance Committee, as they go into Conference, if they could re-look at this testimony again, and in their hearts consider that the labor out there, who could be our own family, our own friends, is not getting the care that they need. Hopefully as you go into Conference, you will have the wisdom to increase the rates somewhat in a more fair response.

"Thank you, very much. And I wish to again thank the Committee on Finance. I know you did your best, but I ask you to try a little harder. Thank you, very much."

Representative Ching rose to disclose a potential conflict of interest, stating:

"Mr. Speaker, I ask for a possible conflict of interest. My husband is a primary care provider," and the Chair ruled, "no conflict."

Representative Ching continued to speak in support of the measure with reservations, stating:

"Thank you. Slight reservations, then."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2152, HD 2, entitled: "A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION," passed Third Reading by a vote of 51 ayes.

At 4:38 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2519, HD 2  
 H.B. No. 2703, HD 2  
 H.B. No. 2019, HD 1  
 H.B. No. 2501, HD 1  
 H.B. No. 1848, HD 2  
 H.B. No. 2773, HD 3  
 H.B. No. 2152, HD 2

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 952-12) recommending that H.B. No. 2661, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2661, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Morikawa rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative C. Lee rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2661, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Hanohano voting no.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 953-12) recommending that H.B. No. 2264, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2264, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Fontaine rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2264, HD 2, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY," passed Third Reading by a vote of 51 ayes.

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 957-12) recommending that H.B. No. 2569, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2569, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Ward rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, with reservations and brief comments. Mr. Speaker, I was hoping, and thought actually, this would be resolved by now. The Finance Committee had a great hearing last week. The AG and the representatives from the churches had a great dialogue. It was almost *Kumbayah*, because they were going to continue it the next day, and then suddenly the issue was broken off and negotiations stopped.

"The great news is that the language is perfect. The difficulty is that the language is in a different place than some people believe it should be. It's placed in public accommodations. Some people feel very strongly the churches should not be put into statutes that contain public accommodation, because then that gets into even more difficulties. Anything that's a public accommodation, you can't do this, that and the other things, particularly discrimination wise. And churches actually have that one religion discriminates against another.

"So the point is that we need to keep the dialoging between the AG and those particular interested parties, and otherwise. They should be able to come up with something. Thank you."

At 4:40 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 4:41 o'clock p.m., with Vice Speaker Manahan presiding.

Representative Keith-Agaran rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I support HB 2569 HD2 which fills some unexpected gaps in last Session's historic civil unions bill. Important provisions of this bill clarify the rights and responsibilities of couples who must terminate existing reciprocal beneficiary relationships in order to enter a civil union. This measure protects these families by allowing them to maintain property held by the entirety in that status. It also clarifies which unions from other jurisdictions will be recognized as civil unions in Hawaii. The bill also further clarifies the protection given to religious bodies which have religious objections to the use of their property to solemnize civil unions by adopting language similar to public accommodations exemption provisions in effect in jurisdictions that recognize civil unions or same sex marriage. These clarifications do not change the intent of the Legislature – as set out in Hawaii Revised Statute sections 572B-9 and -11 -- with regard to the scope and effect of our civil unions law:

Partners to a civil union lawfully entered into pursuant to this chapter shall have all the same rights, benefits, protections, and responsibilities under law, whether derived from statutes, administrative rules, court decisions, the common law, or any other source of civil law, as are granted to those who contract, obtain a license, and are solemnized pursuant to chapter 572.

A party to a civil union shall be included in any definition or use of the terms "spouse", "family", "immediate family", "dependent", "next of kin", and other terms that denote the spousal relationship, as those terms are used throughout the laws of the State."

Representative Oshiro rose to speak in support of the measure, stating:

"Mr. Speaker, likewise. I would like to submit written comments in strong support."

Representative Oshiro's written remarks are as follows:

"Mr. Speaker, I rise in support of House Bill No. 2569, House Draft 2. This bill provides amendments to Act 1, Session Laws of Hawaii 2011, to correct technical problems with the law in a manner that does not alter the Legislative intentions for the original act. It incorporates technical changes recommended by the Attorney General to clarify the transition from reciprocal beneficiary to civil unions status to ensure that couples do not lose any rights or benefits that have accrued.

"At the outset, I would like to thank the Representative from Kapolei for spending hours researching this subject and assisting with the drafting of the bill and the Committee Report. Her legal insight was invaluable to your Committee in its review of this bill.

"Critical to this bill are the amendments made to clarify that religious institutions are protected from civil liability in denying the use of their facilities for the purpose of solemnizing civil unions. This language is intended to clarify the religious exemption already in section -4(c) of the law, which states:

*"Nothing in this section shall be construed to require any person authorized to perform solemnizations pursuant to chapter 572 or civil unions pursuant to this chapter to perform a solemnization of a civil union, and no such authorized person who fails or refuses for any reason to join persons in a civil union shall be subject to fine or other penalty for the failure or refusal."*

"It should be noted that the United States Supreme Court has held that government regulation cannot interfere with a citizen's First Amendment right to associate for the purpose of engaging in protected speech. In *Boy Scouts of America v. Dale*, 530 U.S. 640 (2000), citing *Roberts v. United States Jaycees*, 468 U.S. 609 (1984), the Supreme Court ruled that:

*" . . . implicit in the right to engage in activities protected by the First Amendment is a corresponding right to associate with others in pursuit of a wide variety of political, social, economic, education, religious, and cultural ends. This right is crucial in preventing the majority from imposing its views on groups that would rather express other, perhaps unpopular, ideas. . . . Government actions that may unconstitutionally burden this freedom may take many forms one of which is 'intrusion into the internal structure or affairs of an association' like a 'regulation that forces the group to accept members it does not desire.' . . . Forcing a group to accept certain members may impair the ability of the group to express those views, and only those views, that it intends to express. Thus, freedom of association. . . plainly presupposes a freedom not to associate."*

"Regarding this bill, it is my opinion that religious organizations are expressive associations that are free to NOT associate with persons wishing to solemnize or celebrate civil unions at their facilities. To do so through the application of the public accommodations statutes would significantly affect its expression in violation of the First Amendment.

"For this reason, I believe the language found in House Bill No. 2569, House Draft 2, makes clear that religious organizations may selectively

provide services, accommodations, advantages, facilities, goods, or privileges to some individuals with respect to the solemnization or celebration of a civil unions but not to others.

"This follows the common law of the United States. . . no more, and no less."

"Accordingly, I urge my fellow colleagues to support this bill."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2569, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CIVIL UNIONS," passed Third Reading by a vote of 51 ayes.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 958-12) recommending that H.B. No. 1829, HD 1, as amended in HD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1829, HD 2, pass Third Reading, seconded by Representative Evans.

Representative Say rose to disclose a potential conflict of interest, stating:

"Mr. Speaker, may I have a ruling on a potential conflict? My potential conflict is that I'm a sublessee on Kalani Street in Kalihi," and the Chair ruled, "no conflict."

Representative Fontaine rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Jordan rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Luke rose to speak in opposition to the measure, stating:

"Thank you Mr. Speaker. Briefly, in opposition. This bill interferes with the private contract between lessors and lessees, and it attempts to re-write the contract terms. As such, it is clearly unconstitutional and it could go into the takings clause."

Representative Marumoto rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Morikawa rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Ching rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Awana rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Saiki rose to speak in opposition to the measure, stating:

"Mr. Speaker, I rise in opposition to this measure. This measure is basically a re-hash of Act 189 which we enacted 2 years ago and which was struck down by the Hawaii Federal District Court last year as a violation of the federal contracts clause.

"The contracts clause basically has three requirements. First, whether the statute has in fact operated as a substantial impairment of a contractual relationship. Second, whether the State has a significant and legitimate public purpose behind the statute. And third, whether or not the rights and responsibilities of the contracting parties is based upon reasonable conditions and is of a character appropriate to the public purpose, justifying the adoption of the statute.

"The Federal District Court found that Act 189 did not meet this standard, and because the provisions in this bill are so similar to those of Act 189, this legislation will probably also fail once it is challenged. Thank you, very much."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1829, HD 2, entitled: "A BILL FOR AN ACT RELATING TO LEASES," passed Third Reading by a vote of 39 ayes to 12 noes, with Representatives Belatti, Coffman, Giugni, Hanohano, Johanson, C. Lee, Luke, Nishimoto, Riviere, Saiki, Takai and Wooley voting no.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 959-12) recommending that H.B. No. 2751, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2751, HD 2, entitled: "A BILL FOR AN ACT RELATING TO OFFENSES AGAINST PUBLIC ADMINISTRATION," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Riviere and Thielen voting no.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 960-12) recommending that H.B. No. 2277, as amended in HD 1, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2277, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Morikawa rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Belatti rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Marumoto rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Marumoto submitted the following:

"Concerned Families for ATV Safety

#### RECENT STUDIES

- In November 2011 The Safety Record found that young riders are not big or heavier enough to ride ATVs.
- The April issue of the Journal of the American Academy of Orthopaedic Surgeons (JAAOS) found that the rapid rise in ATV-related injuries is due to increased use and also to the production of larger, faster, and more powerful vehicles.
- An ASOS study found that there is a significant risk of morbidity for children who sustain spinal cord injuries from All-terrain vehicle accidents.
- A study by researchers at the University of Kentucky found national size guidelines for all-terrain vehicles (ATV) are inadequate to ensure the safety of young riders.
- A Cincinnati Children's Hospital Medical Center study looked at ATV-related injuries to children over a six-year period throughout the state of Ohio and found that helmets did not provide any significant protection for child ATV riders.
- The American College of Surgeons recently did an assessment of the injury and death rates among ATV riders in Oregon that were treated at trauma centers. The study found that "an alarming increase in the number of ATV...riders requiring treatment in Oregon's trauma centers," with approximately 20% of them being children under the age of 15.
- The Journal of Pediatric Surgery recently published a study that found child injuries from ATV accidents are more severe than bicycle-related injuries. ATV accidents are more likely to involve multiple injuries, the need for operative intervention, and longer stays in hospitals. The study also found that after these accidents, children continue to ride ATVs and "safety behaviors are unaltered,"

reinforcing the need to enact a common sense safety standard that keeps children under age 16 off these powerful vehicles

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<http://atvsafetynet.org/parents.php?page=studies>

"Police officer injured in ATV mishap

KHON2.com

Published: 2/09 4:48 pm

Updated: 2/09 4:51 pm

A Honolulu police officer was sent to the hospital after crashing during a training exercise at Ala Moana Beach Park.

Around noon Thursday, HPD was giving several officers a course on how to maneuver ATV's at the park, when an officer driving a 4-wheeler lost control.

Witnesses said he went up on two wheels, and came down, hitting a parked car.

...."

<http://www.khon2.com/news/local/story/Police-officer-injured-in-ATV-mishap/snm27FNIMUanm3IYOOKSPQ.csp>

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2277, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ALL-TERRAIN VEHICLES," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Hanohano and Riviere voting no.

At 4:46 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2661, HD 2

H.B. No. 2264, HD 2

H.B. No. 2569, HD 2

H.B. No. 1829, HD 2

H.B. No. 2751, HD 2

H.B. No. 2277, HD 1

#### THIRD READING

##### H.B. No. 2852, HD 1:

Representative Chong moved that H.B. No. 2852, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Morikawa rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative McKelvey rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. Reservations. And may I just briefly give my comments as to why? I applaud the intent of this. I understand it has become a problem for a community here on Oahu. However, what bothers me about this is, and my concern has always been, how do you define 'nuisance'? But as you look at how they've tried to redefine it, a lot of the elements of what is quote, 'called a nuisance,' actually is everyday life in Lahaina.

"Section A, for instance, it talked about dismantled motor vehicles and fishing boats. Well, that's about a quarter of my constituents right there. Let's see, automotive parts and equipment, appliances and furniture. That's about another 40 families. And containers, packing materials, scrap metal, wood and building materials. That's pretty much any house that's either being repaired, or a lot of what's happening is you have agricultural operations going on, farming and such. And there's one that says 'indecent material,' which seems like now that we're stepping across First Amendment boundaries and are now dictating what you can put up on your property that would constitute indecent materials.

"So maybe if this measure goes forward, they could look at perhaps restricting it to this county where the problem seems to be. Or really taking a very close look at this language, because again, it's pretty general. And like I've said, half of my town falls underneath this thing. Thank you."

Representative Marumoto rose to speak in support of the measure, stating:

"Mr. Speaker, I favor this bill. This is a particular case where, although this bill has statewide applications. As I introduced it in a previous Legislature it called for a nuisance violation if any landowner had five violations, on five properties, in the past five years, within a one square-mile neighborhood, and only in residential areas. So I don't think it should catch all but the very irresponsible landowners. I have some articles which I would like to request submission into the Journal with your permission. Thank you."

Representative Marumoto submitted the following:

"Billionaire Genshiro Kawamoto under fire after neighbor's wall destroyed

KHON2

Published: 1/21/2011 9:43 pm

Updated: 1/22/2011 6:12 am

A Kahala homeowner is threatening to take Japanese billionaire Genshiro Kawamoto to court.

She claims Kawamoto hired crews to bulldoze a rock wall along an easement to her home, that she had paid for.

Honolulu police were called to stop the demolition but by the time they arrived, an estimated 50-feet of the wall was torn down.

And when officers asked the workers to produce a city permit for the demolition, there was none.

Rose-Marie Rafael is furious a rock wall she had built 7 years ago, is now partially in pieces.

"Where is your permission to do this there is an easement, we built it you cannot just tear it down," Rafael said.

Rafael says she was inside her home having lunch when she heard the commotion and ran outside to find a crew with a bulldozer tearing apart the wall.

"I was there cause they didn't stop so I stepped on that stone and I said will you please stop," Rafael recounted.

She says she called police, and when they arrived learned they had been hired by her neighbor Japanese businessman Genshiro Kawamoto to demolish the wall and other areas of his property.

"They said, 'where is your permission to do this?' We find out he doesn't have one," Rafael said.

She says the City's Department of Planning and Permitting also notified her no permit had been issued to do the demolition.

Rafael says she doesn't know whose property the the rock wall is on, but says she personally paid for it to be built to line an easement which is the only access to her home.

"Yes and we had an agreement with the former owner that we build the wall," said Rafael. "To see what happened today is not right."

Close friends of the Rafael's are outraged.

"Every piece of property he bought in Hawaii he turned and demolished it and made it nothing," said Rafael family friend Danny Kaleikini.

Kawamoto has purchased more than two dozen properties along Kahala Avenue and many of them have fallen into disrepair.

Attempts to reach Genshiro Kawamoto were unsuccessful. A lawyer who has represented him before says Kawamoto had not contacted his office."

<http://www.khon2.com/news/local/story/Billionaire-Genshiro-Kawamoto-under-fire-after/F8g4yokr6E-xVbFPdwn2w.csp>

Representative Johanson rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. With reservations and brief comments. I don't want to reiterate the good comments from the Representative from Lahaina. I just want to extend on them and why I also have some reservations with this particular bill. I think in seeking to preserve property values for different neighbors, the bill ironically may also compromise private property rights. And it's for the very reasons that the Representative from Lahaina articulated, because it's so prescriptive in what it determines can and cannot be in a person's private property.

"What I also want to draw the Members' attention to in the event that this continues to advance and we have dialogue about this, is that there are standards established in the bill that are rather vague. For instance, when the personal property reduces the value of other properties in the neighborhood, or is otherwise detrimental to nearby property. I certainly don't have any problems with that, except that's not particularly defined, and I think it's going to be very hard to trace an exact root cause of someone's degradation of property value, and whether it's in respect to one neighbor or another.

"Additionally, on the third page of the bill, creating or permitting or maintaining any dangerous or unsightly condition that is detrimental to the health, safety or welfare of the public. I certainly am sympathetic to the health, safety and welfare component, but again, it is somewhat arbitrary in who defines what is unsightly.

"So it is for those reasons that I have some concerns about this bill, well intended as it may be. Thank you."

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Ching rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ching's written remarks are as follows:

"Thank you, Mr. Speaker. I stand in support with reservations of H.B. 2852 – Relating to Landowner Liability. This bill creates a cause of action against any person who maintains a property nuisance on residential property that causes injury or damage to the person or property of another person.

"The safety of our citizens is our priority which landowner liability preserves. The situation with Genshiro Kawamoto, the Kahala resident whose has received 56 violations since 2005 from the Honolulu Department of Planning and Permitting for his dilapidated mansions, is a prime example of the importance of landowners accountability. One of his violations was due to cylindrical footings that fell in the shoreline of one of his Kahala Avenue properties.

"However, while I support landowner liability, I am concerned that the subjective language of this bill will harm farms, ranches, and our agricultural processing facilities because activities that are the norm for one area may not be a norm for another area or demographic. Furthermore, this bill, as stated by the City and County of Honolulu, Department of Environmental Services, does not honor activities that have already been appropriately zoned, permitted, and designated for public benefit, including City refuse convenience centers, refuse transfer stations, landfills, base yards, wastewater treatment plants and pumping stations, and construction base yards. Thank you."

Representative Cabanilla rose to speak in support of the measure with reservations, stating:

"Reservations, Mr. Speaker. With a brief comment. I think this is a lawyer-specialty bill, because you can be sued for everything and anything. Thank you."

The motion was put to vote by the Chair and carried, and H.B. No. 2852, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LANDOWNER LIABILITY," passed Third Reading by a vote of 51 ayes.

**H.B. No. 1771, HD 1:**

On motion by Representative Chong, seconded by Representative Evans and carried, H.B. No. 1771, HD 1, entitled: "A BILL FOR AN ACT RELATING TO FELONIES FOR WHICH CRIMINAL CHARGES MAY BE INSTITUTED BY WRITTEN INFORMATION," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Hanohano and Rhoads voting no.

**H.B. No. 1709, HD 1:**

On motion by Representative Chong, seconded by Representative Evans and carried, H.B. No. 1709, HD 1, entitled: "A BILL FOR AN ACT RELATING TO OFFENSES AGAINST PUBLIC ORDER," passed Third Reading by a vote of 51 ayes.

**H.B. No. 1776, HD 1:**

On motion by Representative Chong, seconded by Representative Evans and carried, H.B. No. 1776, HD 1, entitled: "A BILL FOR AN ACT RELATING TO COMMUNICATION SERVICE PROVIDERS," passed Third Reading by a vote of 51 ayes.

**H.B. No. 2241, HD 1:**

Representative Chong moved that H.B. No. 2241, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Ward rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, I rise with very, very, very mild reservations. Mr. Speaker, this is a, I guess a shipment clearance for inoperable slot machines or gambling machines. It looks pretty innocuous, and it probably is, except sometimes there are devious minds who would love to get a toe-hold into the State of Hawaii, because we, as well as Utah, have no gambling yet.

"So my reservation is, if it has one more word, it would be so iron-tight it would be perfect. And that is, instead of just saying that they are 'inoperable gambling devices,' that it says, 'permanently inoperable.' Because if something is inoperable, you can just take the battery out, or you can unplug a wire or you can take a fuse, and then you get it in here as inoperable. But then you fix it and then instantly you're in business.

"Devious minds may have ways of doing this cleverly. But if we put 'permanently inoperable,' it looks like that will do the trick. So that's a suggestion, and that's my mild reservation. Thank you."

Representative Ching rose to speak in support of the measure with reservations, stating:

"Reservations. Strong reservations actually, with the words of the Minority Leader," and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and H.B. No. 2241, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ANTIQUE GAMBLING DEVICES," passed Third Reading by a vote of 51 ayes.

At 4:53 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2852, HD 1  
H.B. No. 1771, HD 1  
H.B. No. 1709, HD 1  
H.B. No. 1776, HD 1  
H.B. No. 2241, HD 1

At 4:53 o'clock p.m., Representative Ward requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 4:55 o'clock p.m.

**H.B. No. 1589, HD 1:**

Representative Chong moved that H.B. No. 1589, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Pine rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Pine's written remarks are as follows:

"Thank you, Mr. Speaker. I support HB1589 designating February as Hawaiian Grown Cacao Month. I first want to thank the Representative from Liliha for her visionary efforts to promote the cacao industry. We should be proud that our State is the only in the nation that can grow cacao, an industry that provides jobs and growth for our local economy. Our unique State has an exclusive economic opportunity in this crop and raising awareness would provide nothing but benefits for Hawaii.

"Recognizing this market-sustaining industry would reaffirm the recognition already present in both the national and international markets.

"The growing cacao market worldwide currently generates approximately \$75 billion annually. Hawaii is ideally in close proximity to both Asia and mainland US, located to capture and prosper from the opportunities from a growing cacao market. Asia has already developed into a major chocolate market and Japan and China have experienced a significant increase in chocolate consumption during the past decade. Worldwide, chocolate festivals achieve outstanding success for international tourist destinations. Hawaii's unique environment and climate position make it the only state in the US that can grow cacao.

"Recently, a federal grant in the amount of \$50,000 was awarded to the Hawaii Department of Agriculture to help support this sustainable agriculture industry. Monies were directed towards the 2012 Chocolate Festival, which welcomed more than twice the number of attendees from the previous year, confirming the special ability of chocolate to attract revenue. It must also be noted that according to the Census Bureau of Foreign Exchange, "cacao preparation" saw a 16.8 percent increase in export, making cacao Hawaii's eighth largest overall export and the largest overall consumable export. This past summer also introduced the Hawaii Chocolate and Cacao Association (HCCA), where the increasing membership includes residents from all Hawaiian Islands.

"Inclusive to the economic benefits of cacao, the Harvard School on Public Health stated that cacao consumption is linked to longer life. Full with antioxidants, which surpass those found in blueberries, cacao can lower blood pressure and help prevent heart disease.

"Cacao also holds a special place in history. Theobroma cacao, otherwise known as chocolate and translated into English as the "Food of the Gods", was introduced to the Hawaiian Islands in 1850. Cacao has been used for centuries as a medicine and cacao has high concentrations of theobromine, a purine alkaloid that has both a calming effect on the brain and an energizing effect on the nervous system. It has also been found to stimulate the appetite and to reduce fatigue.

"Unlike various other crops, cacao self-pollinates, making cacao environmentally friendly. We must embrace the opportunity where Hawaii is the only state that can cultivate cacao. Hawaii has a once in twenty



years' opportunity to seize the momentum of the growing success and popularity of locally grown agricultural products."

Representative Riviere rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Riviere's written remarks are as follows:

"HB1589 designates February as Hawaiian Grown Cacao Month. This bill will enhance awareness of a burgeoning agricultural product that Hawaii is uniquely qualified to produce. Similar to coffee, Hawaii is the only state in the Union where cacao can grow. While Hawaii will never compete for quantity, we compete very favorably in quality. Besides helping our State diversify our agricultural markets, cacao is an environmentally friendly crop. Cacao continues to gain recognition for medicinal values; it contains anti-oxidants and minerals; and it both calms and provides good energy. Promoting cacao production in Hawaii is exactly the kind of statement we should be making."

Representative Keith-Agaran rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and H.B. No. 1589, HD 1, entitled: "A BILL FOR AN ACT DESIGNATING FEBRUARY AS HAWAIIAN GROWN CACAO MONTH," passed Third Reading by a vote of 50 ayes, with Representative Chang being excused.

#### **H.B. No. 2079, HD 1:**

On motion by Representative Chong, seconded by Representative Evans and carried, H.B. No. 2079, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE MICROBE," passed Third Reading by a vote of 49 ayes to 1 no, with Representative Hanohano voting no, and with Representative Chang being excused.

#### **H.B. No. 2024, HD 1:**

Representative Chong moved that H.B. No. 2024, HD 1, pass Third Reading, seconded by Representative Evans.

Representative M. Lee rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative M. Lee's written remarks are as follows:

"Mr. Speaker, I rise in strong support of HB 2024 HD 1, Relating to Employment Security. This program also known as Self-Employment Assistance Program (SEAP) helps create jobs and provides training for those who wish to start their own business. SEAP is a unique opportunity for eligible workers to enter into self-employment entrepreneurial training and receive business counseling while collecting unemployment benefits. Once enrolled in the training program, the worker will not have to look for other work and can concentrate on their business interests.

"This bill is an option for unemployment insurance claimants who have been identified as likely to run out of unemployment benefits before the return to work. Claimants qualify using a computerized mathematical formula that determines the likelihood of exhausting unemployment benefits. The requirements are simple: the worker must qualify for regular unemployment benefits, receive a letter that determines the work is likely to exhaust regular unemployment benefits before finding a new job, and enroll in an approved training business program. I urge the Members' support."

The motion was put to vote by the Chair and carried, and H.B. No. 2024, HD 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY," passed Third Reading by a vote of 50 ayes, with Representative Chang being excused.

#### **H.B. No. 2238, HD 1:**

On motion by Representative Chong, seconded by Representative Evans and carried, H.B. No. 2238, HD 1, entitled: "A BILL FOR AN ACT

RELATING TO MOTOR VEHICLES," passed Third Reading by a vote of 50 ayes, with Representative Chang being excused.

#### **H.B. No. 2047, HD 1:**

Representative Chong moved that H.B. No. 2047, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Thielen rose in opposition to the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Thielen's written remarks are as follows:

"Thank you, Mr. Speaker. At this time, I rise in opposition to this measure. I have nothing but sympathy for my fellow citizens who have been victims of identity theft, or who have had their confidential personal information compromised as the result of careless or sloppy business practices. I do respect the intent of this measure. The problem is, it's not effectively tailored to achieve its purpose.

"Government is one of the biggest collectors and stockpilers, if you will, of our personal information. But they are only required by existing law to protect our social security numbers.<sup>1</sup> Nothing more. This measure is far more comprehensive, yet it doesn't even apply to government.

"This measure deals with "personal information". We're not just talking about social security numbers here. "Personal information"<sup>2</sup> means any one of the following combinations:

- Name and social security number.
- Name and driver's license number.
- Name and credit card number.
- Name and debit card number.
- Name and bank account number; and so on.

"Every business that accepts credit cards or debit cards would be affected.

"This measure would require every single private business that maintains such personal information, regardless of size, regardless of industry, to implement a "comprehensive, written policy and procedure to prevent identity theft."

"Furthermore, every business would be required to train ALL their employees on the policy and procedure. Not just the employee or employees who have access, or potentially have access to personal information, but ALL employees – no matter what their jobs actually entail.

"Mr. Speaker, I am very concerned about the impact of this measure on our local businesses – especially our smaller businesses. Because this mandate would place a very heavy burden on them – and not even guarantee any results.

"Businesses, even the smallest mom-and-pop businesses, would be required to design their identity theft prevention policy to "protect against any anticipated threats or hazards" to the information, and prevent any security breach.

"This means, despite their best efforts, any business that follows the law, has this policy in place, and trains their employees, but nonetheless experiences a security breach, will be in violation of the law. Such a result is unfair. Are we going to punish businesses, especially our smaller family-run businesses, for failing to predict how exactly the crime would be committed? For not having the ability to read the minds of identity thieves and predict their next move? For violations that could only have been prevented with the benefit of hindsight?

"Mr. Speaker, I agree that something must be done to address identity theft, but this measure is based on unrealistic expectations. This simply isn't the way to go.

"Thank you, Mr. Speaker, for the opportunity to express my opposition to this measure."

<sup>1</sup> HRS §487J-2.

<sup>2</sup> The definition of "personal information" in chapter 487J references the definition in chapter 487N: "personal information" means a person's FIRST NAME, or FIRST INITIAL AND LAST NAME, in combination with any one or more of the following: SOCIAL SECURITY NUMBER; DRIVER'S LICENSE or HAWAII ID CARD NUMBER; ACCOUNT NUMBER, CREDIT CARD NUMBER, DEBIT CARD NUMBER, ACCESS CODE, or PASSWORD.

Representative Marumoto rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and H.B. No. 2047, HD 1, entitled: "A BILL FOR AN ACT RELATING TO INFORMATION PROTECTION," passed Third Reading by a vote of 48 ayes to 2 noes, with Representatives Ching and Thielen voting no, and with Representative Chang being excused.

At 4:58 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 1589, HD 1  
H.B. No. 2079, HD 1  
H.B. No. 2024, HD 1  
H.B. No. 2238, HD 1  
H.B. No. 2047, HD 1

**H.B. No. 283, HD 1:**

Representative Chong moved that H.B. No. 283, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Jordan rose in opposition to the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Jordan's written remarks are as follows:

"I would like to express my opposition to the authorization of the transfer of \$140,000 during fiscal year 2012-2013 from the Agricultural Loan Revolving Fund to help fund a program to control and eradicate the coffee borer beetle. Although I recognize the importance of eradicating the coffee borer beetle, I do not believe that addressing this issue with funds from the Agricultural Loan Revolving Fund is in the best interest of the Agricultural Loan Program or aligns with the program's main purpose.

"The operation of the Agricultural Loan Program/Department is funded thru the program's revenue and in recent years revenues have been severely curtailed due to historically low interest rates and the effect of the slow economy on collections. Currently the Fund has an estimated \$26 million of which \$19 million has been loaned out and \$6 million is available for loan funds, recent yearly revenues are estimated at \$800,000 due to historically low interest rates. Estimated cost to operate the Program/Department is \$1 million per year, which equates to a negative operational cost of about \$200,000 per year which is taken from the reserve fund.

"Our State economy is slow and is not projected to change the pace for several years to come much less interest rates being increased to make up any departmental short fall, since interest rates are based on national prime rates we are in a position to hold steady with the intent of the program. So although \$140,000 may seem like a small amount it is almost a one year shortfall for the Agricultural Loan Revolving Fund program, understanding that Puerto Rico has spent close to \$1 million to address the coffee borer beetle and looking at recent introduction of pests to the islands tend to show us that a more appropriate and permanent means of funding must be developed to protect our State's fragile environment. Not the use of the Agricultural Loan Revolving Fund."

The motion was put to vote by the Chair and carried, and H.B. No. 283, HD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE FUNDS," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Jordan voting no.

**H.B. No. 1454, HD 1:**

Representative Chong moved that H.B. No. 1454, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Yamashita rose to disclose a potential conflict of interest, stating:

"Thank you very much, Mr. Speaker. May I ask for a ruling on a potential conflict? I am an owner of a gas station," and the Chair ruled, "no conflict."

Representative Ward rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, with reservations and a brief comment. Mr. Speaker, this allows the small guys to band together to get discount petroleum. And that may be fine, but what about grocers? We've got a grocer I think, from somewhere here on this Floor. What about bulk purchases with other small grocers so they can compete with Costco or maybe Sam's Club. Other things that otherwise when we get into the marketplace like this, I think it's a dangerous kind of thing. Because this has always been the price of gas for so long, I'm not sure why this is coming up now. But it's a price control phenomenon that I think is going to, if we made the news on the State Bank, I think this will probably make the news also. Thank you."

Representative Chong rose to speak in support of the measure, stating:

"Mr. Speaker, in support. Real short comments. This is to help a lot of independent gas dealers. The difference in other sectors of retail is that the refiner also operates the retail. Thank you."

Representative Johanson rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. With reservations and brief comments. Again, I think the intent of this bill is certainly understandable. Everybody would like to have lower gas prices, and so that's why I'm willing to support it. I hope that certainly the end that's engendered. I particularly support the provision that enables dealers to form a cooperative. Where I do have some concerns is that enforcing everyone to observe the volume discount, or applying that to everyone, that we may actually, ironically end up increasing costs because that will eliminate some of those arenas that currently offer discounts to consumers. Thank you."

Representative Fontaine rose in support of the measure with reservations and asked that the remarks of Representative Johanson be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Ching rose in support of the measure with reservations and asked that the remarks of Representative Johanson be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Riviere rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Yamashita rose to speak in support of the measure, stating:

"Mr. Speaker, again in support. Just to let the Members know, this is not something that's not out of the ordinary. Under liquor law, liquor distributors are required to sell at the same volume discounts to everyone, and that is currently under statute. Thank you."

Representative Ward rose, stating:

"Mr. Speaker, I do not drink what is in my gas tank. Thank you."

Representative Pine rose to speak in support of the measure with reservations, stating:

"I just wanted to note my reservations and hopefully we move slowly on this particular issue. I'm sure we all remember many years ago we passed the gas cap, saying they would actually lower the cost."

Representative Chong rose to a point of order, stating:

"Point of order, Mr. Speaker. We're not discussing that measure."

Representative Pine continued, stating:

"I was actually going to explain why I have reservations, because they're similar. It's called price control, and that's what we're doing. Is that still point of order?"

"We tried to pass price control legislation many years ago, and we're trying to pass price control legislation relating to gas, petroleum, oil, I guess. So I just hope that we can thoroughly study this issue. Alcohol is very different from the petroleum industry. We unfortunately can only buy petroleum from very few places around the world right now, so we are limited with our flexibility. Whereas we have a lot more flexibility in terms of the alcohol industry."

The motion was put to vote by the Chair and carried, and H.B. No. 1454, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PETROLEUM INDUSTRY," passed Third Reading by a vote of 51 ayes.

**H.B. No. 2606, HD 1:**

On motion by Representative Chong, seconded by Representative Evans and carried, H.B. No. 2606, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TAX CLEARANCE FEES," passed Third by a vote of 45 ayes to 6 noes, with Representatives Ching, Fontaine, Johanson, Pine, Riviere and Thielen voting no.

**H.B. No. 2874, HD 1:**

Representative Chong moved that H.B. No. 2874, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Rhoads rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Keith-Agaran rose in support of the measure with reservations and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I support H.B. 2874 HD1 with reservations. It's entirely laudable for the Legislature to propose a funding support for the Governor's proposal to provide laptops to all public school students. I am not sure that this measure identifies the best source for meeting the Governor's goal.

"This bill creates the broadband special fund to support funding public school broadband and laptop initiatives and funds that special fund by capping recipients of moneys to Public Access, Education and Government (PEG) programming derived from cable fees at the lesser of the 2011 appropriation or the amount that a PEG recipient would otherwise receive in the current year. The excess funds—after capping the PEG recipients—would be deposited into the broadband special fund.

"I support increasing broadband and making laptops or other more appropriate and useful digital devices available in our public schools, as well as supporting this proposed broadband special fund. I generally support the notion that providing modern and better tools for our public school students has the potential to foster significant improvements in the education of Hawaii's *keiki*, and the special fund will make a significant improvement in access to education and opportunities for Hawaii's citizens at large. However, I have grave concerns regarding section 2 of H.B.

2874, which "freezes appropriations of moneys derived from cable fees at the lesser of the 2011 appropriation or the amount that a recipient would otherwise receive in the current year". Appropriations derived from cable fees encompasses appropriations made to public access television, and freezing these funds will deny public access networks the resources they need to meet their mission of providing treasured community programming, and Hawaii citizen's right to access media. According to some testimony, ironically, section 2 would itself defeat the very purpose of the bill, because it may freeze appropriations for broadband infrastructure and services for the Department of Education, the Department of Transportation, and University of Hawaii. Further, it would also freeze appropriations in support of State efforts in proceedings before the F.C.C. In further irony, it would hurt Hawaii's ability to access federal funds related to broadband and telecommunications that are regulated by the F.C.C.

"Let's certainly move forward on broadband and support providing new tools for our public school students. But let's look carefully at how we fund these efforts."

Representative Ching rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ching's written remarks are as follows:

"Thank you, Mr. Speaker. I stand with reservations on HB 2874 – Relating to Broadband. This bill creates the broadband special fund to support funding public school broadband and laptop initiatives and freezes appropriations of moneys derived from cable fees at the lesser of the 2011 appropriation of the amount that a recipient would otherwise receive in the current year. It requires excess moneys to be deposited into the broadband special fund.

"This bill provides a concrete funding source for a laptop program for the Department of Education, which will benefit Hawaii's future and current generation of students. However, as the testimony provided by the Department of Commerce and Consumer Affairs states, placing a limit on the amount of funding that certain programs provide will inhibit the State's ability to access funds necessary to support expansion of telecommunication infrastructure and broadband communications. Furthermore, HB 2874 does not provide clear explanation in the bill as to who the "recipients of moneys appropriated" are. This bill also assumes that fees collected from cable operators will exceed amounts paid out, however, every year, the fees vary. Thank you."

Representative Souki rose to speak in support of the measure with reservations, stating:

"Mr. Chairman, with reservations, noting that this is a work in progress. Hopefully we'll see some changes as it moves along."

Representative Tokioka rose to disclose a potential conflict of interest, stating:

"Thank you, Mr. Speaker. I'd like to ask for a ruling on a potential conflict. In my private job, I work for Oceanic Time Warner Hospitality Class. Thank you," and the Chair ruled, "no conflict."

Representative McKelvey rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. Reservations please with my concerns that were previously echoed on Second Reading. Thank you."

Representative Wooley rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and H.B. No. 2874, HD 1, entitled: "A BILL FOR AN ACT RELATING TO BROADBAND," passed Third Reading by a vote of 34 ayes to 17 noes, with Representatives Belatti, Ching, Fontaine, Giugni, Hanohano, Johanson, C.

Lee, M. Lee, Luke, Marumoto, Pine, Riviere, Saiki, Takai, Takumi, Thielen and Wooley voting no.

**H.B. No. 2328, HD 1:**

On motion by Representative Chong, seconded by Representative Evans and carried, H.B. No. 2328, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Hanohano voting no.

**H.B. No. 530, HD 1:**

Representative Chong moved that H.B. No. 530, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker, I'm rising to cast a no vote and to speak on this measure. Thank you. Mr. Speaker, this is the last and probably the worst of the 'dirty 8' bills on today's Order of the Day. And I call them 'dirty 8' because they really are destructive of the environmental laws that we have in place.

"This one I would first note was yanked from Water Land, and Energy & Environmental Protection, and directly re-referred to Finance. It reads 'cable' all over the bill, but it also applies to other projects yet to be determined. This bill grants the Department of Land and Natural Resources and the Department of Transportation the authority to exempt State projects from the requirements for special management areas and shoreline setbacks under Chapter 205A. And it does say that they have to, those Departments, the DLNR and DOT, they have to consult with the Office of Conservation and Coastal Lands, and the Office of Planning. Well consultation is, 'Hello, I'm calling up. We're going to go ahead with this,' and there you are.

"For those Neighbor Islanders that care about your land use plans and are protective of those, take a look at page 16 of the bill. It states, 'consistency of a State project with a county general plan and zoning shall not be required.' It will be encouraged. But it shall not be required. Take that home to your Neighbor Islands, and ask them what they think about this measure.

"The bill also states that no person or agency shall commence an action against the lead agency. That's DOT or DLNR, for granting or denial of a Special Management Area permit for a State project. So no one, no person, no one, and that includes our environmental watch dogs. No one can commence an action against DOT or DLNR for granting a special management area permit for a State project.

"The bill has numerous other sections that are very troubling. There's one about, on page 23, for a variance application for a State activity, the lead agency may hold a public hearing. And that's in the lead agency's discretion, whether they do or they don't. That's so unusual. This is not what our land use laws have provided in the past.

"Then it goes on that the lead agency, on page 26, shall be responsible for granting a variance for State structure or activity in the shoreline area. And then if the lead agency doesn't act within 21 days, that permit shall be final and granted. And then, remember, you can't challenge any of this. Then under page 27, Chapter 91 shall not apply to the lead agency.

"The bill is, as I say, the worst of the 'dirty 8.' And take a look at this and see if you want to go back to your Neighbor Island and say, 'Guess what guys? This trumps everything that you've put in place. You can't sue. And within 21 days these decisions will be final, and too bad.'

"I'm just astounded and dismayed. And I also highly object to the fact that Water Land, and Energy & Environmental Protection were not allowed to have the first review of this measure. Thank you."

Representative Morikawa rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. In opposition. My concern is about the less public participation on the Neighbor Islands. The measure states, 'A public hearing may occur in the county impacted by the State project.' Rather than stating it shall occur, as with all other development. With the highly compressed time frame and lack of staffing, it is unlikely public hearings would occur, particularly on the Neighbor Islands. Thank you."

Representative Riviere rose to speak in opposition to the measure, stating:

"Thank you. In opposition. But I just want to make one comment here on the Floor. And that is, this has been a long day, and there's been a lot of what I think is a lot of attacks on the environmental law. I think it's a death by 1000 cuts. I think each one may be arguable, but each one is wrong, in philosophy and in action. And together, they make a really bad stew. So please note my observations. Thank you."

Representative Chong rose to speak in support of the measure, stating:

"Mr. Speaker, in support. I just want to clarify some of the comments that have been made. First of all, the contents and the subject matter of this bill did go through Water Land, and EEP. House Bill 1813 was a pure exemption. And that was the original idea. The problem is, the title of that bill is 'Relating to Special Management Areas,' and that title was too narrow. So we found another vehicle, and instead of giving a complete exemption, we heard a proposed HD 1 saying that we understand the community's concerns. We heard what the people said in Water Land, and EEP in the Joint Hearing. And we said that instead of a pure exemption, why don't we have OSP do it?

"OSP was presently planning, and is in the process of planning to do it. We think it's appropriate for them to do it for State projects. Counties, like everybody else, are strapped for cash and limited resources. This allows a State agency to do it for State projects. And if people don't think they can do it, well, they do it now. Who do you think does HCDA's SMA? It's OSP. Thank you."

Representative Ching rose in opposition to the measure and asked that the remarks of Representative Thielen be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Luke rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. Just briefly in opposition. People have already talked about the effect on the county authority, and taking power away from the county authority. The concern that I have is, currently, the Office of State Planning only has one planner to deal with SMA related issues. The various counties, they have 16 total SMA related staffers, and so at the same time that the counties can look at and review the various projects, you have 16 or several people who look at that. If you transfer all that authority to one person in the State office, the reverse effect is going to be not an expedited planning stages, but it's going to be a delayed planning stages. So either they are not going to review these plans and then just approve it without having a good review, or it's going to add even more delay, because we can't really have the Office of State Planning with one person doing everything. Thank you."

Representative Wooley rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. In opposition. I just want to also add a brief comment. The Majority Leader mentioned the Office of Planning testimony. And they did testify and they made clear that they are already working on a proposal that will be introduced next year by the Administration. So they've been working regularly with other State agencies to develop a streamlined process.

"I don't see the need for this. I do have big concerns about the broad language. I also have concerns that this has not gotten enough review. I encourage my colleagues to vote no on this bill. Thank you."

Representative Takai rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I rise in opposition. First, I'd like to incorporate the words of the previous speaker as if they were my own. And I wanted to make just two more points. First, increased State liability. Building permits may still be required on conservation districts. This will either hold up projects when a contractor applies for a ministerial permit, or places the liability burden squarely on the State to ensure that structures meet current health, welfare and safety standards.

"Number two, I believe it's a violation of the Hawaii State Constitution, because this bill indicated no judicial review shall occur with respect to any State project approved under this measure. This violates the constitutional right to a clean environment, including ensuring State actions conserve and protect our natural resources."

Representative Belatti rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I am also in opposition, and just to add to some of the comments. My concern is that this measure may jeopardize current agreements with the federal Office of Coastal Resource Management, and thereby jeopardize federal funding. Thank you."

Representative Johanson rose in opposition to the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Johanson's written remarks are as follows:

"I rise in opposition to HB 530, Relating to Coastal Zone Management. While I am supportive of expanding and improving projects and development in our State, I have strong concerns over exempting State projects from environmental regulations that exist to protect our shoreline areas. This bill would grant a virtual carte blanche to developers with very little checks and balances. I fully support responsible development that takes into consideration long-term economic and health considerations and appropriate environmental checks. I do not wish for unnecessarily protracted reviews or delays in responsible development, but there needs to be appropriate checks and balances to ensure the preservation of the environment on which our economy is fundamentally based."

Representative Saiki rose to speak in opposition to the measure, stating:

"Mr. Speaker, I rise in opposition to this measure. I'd like to summarize and just clarify what the major problem is with this bill.

"As was alluded to earlier, the Hawaii Constitution includes a provision that was adopted in 1978, that provides Hawaii residents with the right to challenge environmental actions. And it's actually a very important provision in our Constitution, and I'd like to read it. It's just a few sentences. This is found in Article XII, Section 9, and it reads as follows:

Each person has the right to a clean and healthful environment, as defined by laws relating to environmental quality, including control of pollution and conservation, protection and enhancement of natural resources. Any person may enforce this right against any party, public or private, through appropriate legal proceedings, subject to reasonable limitations and regulation as provided by law.

"The problem with this bill is that Section 4, which denies persons any opportunity to challenge the granting or denial of a permit, or decision to exempt an agency from seeking a permit cannot be challenged at all, and that runs afoul of Article XII, Section 9. Thank you, very much."

Representative Rhoads rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Har rose to speak in support of the measure, stating:

"Thank you Mr. Speaker, in support. Today we've had a lot of conversation about the eroding of our environmental laws. It's unfortunate that people don't remember the facts of what actually happened, so let me just refresh peoples' recollection.

"The whole point of us passing these laws is to ensure that our environmental laws are not circumvented. Back in 2006, this Body may recall that then-Governor Lingle did an emergency Proclamation for the Leeward side, under the guise of building shelters for the homeless.

"The fact of the matter is, that it was for building residential homes. And attached to that Proclamation, which I have right here in front of me, was a blanket exemption, including from procurement, Chapter 205A – Coastal Zone Management, a complete exemption, a blanket exemption from Chapter 343 – Environmental Impact Statements, a complete blanket exemption from anything relating to the counties.

"And so again it's perplexing that people want to somehow believe that we are eroding our environmental laws. If anything, what we are trying to do is ensure that these laws are actually being adhered to. And if we have to make certain exceptions, we can certainly do so.

"Secondly, I want to refute some of the comments that have been made with respect to procedure. As noted by the Majority Leader, we had a bill in Water Land, House Bill 1813. This bill would have exempted any State or county CIP from SMA guidelines. On February 10, 2012, Water Land passed out that bill, amending it to include shoreline areas, as this was suggested by the verbal testimony of DLNR. This bill was then heard by the Finance Committee on February 28, and deferred due to the fact that the bill was rendered unconstitutional because of the title flaw by amending it in Water, Land & Ocean Resources.

"As such, the Finance Committee inserted the contents of HB 1813 into House Bill 530, but narrowed the scope to only DLNR and DOT projects. But any projects implemented under this subsection were subject to consultation with the Office of Conservation and Coastal Lands, the Office of Planning, and Chapter 343. But more importantly, this bill sunsets, should it go through, on June 30, 2013.

"We keep talking about blanket exemptions. 'This' was what a blanket exemption was. And 'this' is what we're trying to avoid and trying to be responsible for letting certain projects go through. DLNR testified ..."

Representative Ward rose to a point of order, stating:

"Point of order, Mr. Speaker. Is 'this' the Lingle Administration that she is referring to? Or the Abercrombie Administration? Or a piece of paper of which we have no idea."

Representative Har: "This was a Lingle Administration. 2006"

Representative Ward: "As the Majority would say, would you please keep your comments relevant to the bill."

Representative Har: "I can certainly do that."

Vice Speaker Manahan: "Representative Ward, the Chair will allow Representative Har to make her point. Please proceed."

Representative Har continued, stating:

"In addition, as noted by the Majority Leader, the Office of Planning already grants SMAs and shoreline variances in Kakaako, so this is not unheard of, to give them this power. In addition, the Office of State Planning, in this bill, is given appropriations for two planners to deal with the specifics.

"The point here is that the Office of State Planning, yes, they're working to streamline their regulations. They admitted it. And when asked in Finance, 'Why do you feel the need to streamline?' Basically, because they admit it. That their own regulations have become overly burdensome, and over regulatory.

"And so the fact is, that this bill really puts the Office of State Planning's feet to the fire. And that's why I stand in support of this bill. Thank you, Mr. Speaker."

Representative M. Lee rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative M. Lee's written remarks are as follows:

"Mr. Speaker, I rise with reservations. Special management areas are one of the most sensitive of shoreline areas and must be protected. As time goes by, encroachment into these areas is more difficult to avoid. The wisdom of exempting State projects from requirements is questionable even if for a short time. It is almost certain those exemptions will become permanent in the future. Therefore, I stand with reservations."

Representative Thielen rose to respond, stating:

"Thank you Mr. Speaker. I just want to respond to that. You can't whitewash this bill. There's no way to whitewash it and claim that it's just innocuous.

"And also Mr. Speaker, I would like to have the words of the Representative from Moiliili, McCully, Kaimuki, about the unconstitutionality of the measure, be put into the Journal as if they were my own.

"Mr. Speaker, take a look at the Committee Report. What this bill does is grants the Department of Land and Natural Resources, and then our good old Department of Transportation, the authority to exempt State projects from the requirements for Special Management Areas and shoreline setbacks in Chapter 205A. All they have to do is consult. Pick up the phone, 'Hi.' The Office of Conservation and Coastal Lands is within DLNR. The Office of Planning, 'Hi OP, this is what we're doing.' And then it goes on and says, 'Too bad about you counties and your general plans and your zoning. We don't have to be consistent with that. And, too bad, you can't file a law suit.'

"I remember back with Town vs., and I'm trying to think of who that was, but it's Judge Town, who brought one of the early environmental cases against, it was probably against the State. And we set landmark law back in that period of time. A lot of it was used to keep the environment clean and cared for.

"This bill is now saying, 'Sierra Club, Life of the Land, any of you groups, cannot sue to enforce environmental laws, because number one, we've gutted it with this bill, and the other of the 'dirty 8,' and you can't bring a lawsuit. And we don't even have to go out to the communities when we, DLNR or good old DOT, takes some action. This bill exempts us. We may, permissive, but we don't have to.'

"There's no way to whitewash this. It is a bad bill. It goes further than the others, and it should not be passed forward. Thank you."

Representative Riviere rose to respond, stating:

"Again, in opposition. There was some testimony about the Office of Planning. The Office of Planning was quite clear. They did not want this *kuleana* at this time. They are working on procedures that they hope to roll out. And they did in fact ask to have the next off-session to work on the plan. They want to roll in with some legislation next year.

"There's another grave risk here. If we are messing with our Coastal Zone Management, the federal funding may be in jeopardy. And the couple of million dollars that is involved in the Coastal Zone Management goes to pay for this activity. And there was testimony that it's possibly 23 positions that could be affected. So even if the Office of Planning gains one or two jobs, as previously stated, they're going to be overwhelmed. So this is going to have the exact opposite effect, risking federal funding, and exempting challenges for reasonable purposes.

"It's bad legislation. I've noticed there's a lot of opposition, a lot of opponents to this. It will be interesting to see how the vote tally comes. Thank you."

Representative Har rose to respond, stating:

"Thank you, Mr. Speaker. Just briefly, if you look to the Committee Report, Members, you'll see that the Finance Committee did in fact amend the bill. It makes it very clear in paragraph 4. It says, specifying that the intention of this measure is not to jeopardize the receipt of federal funds, and that any provision that has that effect, shall be void. And accordingly the Finance Committee then inserted a severability clause. So that should address the concerns of those worrying about federal funding. Thank you."

Representative Evans rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In strong support. Again, I want to point out, we started the Session understanding that creating jobs and really moving our economy forward was a key thing.

"I really don't understand why people are so worried, because there are so many permits and so many regulations to do what we do in Hawaii. This particular one is focused on one small permit. And it's only for State agency projects.

"Now we all know if you're a State agency, and you're an elected official, you're transparent. You're under the public eye. You have mayors, you have county council people. There is no way that we are going to go into a community and do things without having scrutiny and without having plenty of opportunities, because there are other permits and other actions in place.

"It's amazing to me the conversation that I've heard from the Minority, given that there's so many regulations on the book when it comes to the environment. We have layered and layered and layered regulations for the environment. This one is State agencies. This one is because the people want jobs and economy. But more importantly than that, these are State agency projects. These are public projects. These are projects that probably people all across the State want in their particular district, some of these projects.

"So Mr. Speaker, I think it's with good intentions that this bill is being forwarded. If there are certain concerns, people want to tighten it up, they've got some opportunity. We're still early in the process. Thank you."

Representative Pine rose to speak in opposition to the measure, stating:

"Just in opposition and just a brief rebuttal. I just want to make it clear that the Minority is in very strong support of jobs. We just believe that you shouldn't have to cut off your left arm to get one. We believe that we can be good stewards of the environment and still promote what gets us jobs here in the State of Hawaii, and that's our wonderful tourism. If we lose the beauty of our State because we have skirted the environmental laws to get jobs, that will be a temporary fix that will hurt our economy for the rest of our existence, because we will no longer have jobs, because our number one job creator in our State is tourism."

Representative C. Lee rose to speak in opposition to the measure, stating:

"Thank you, very much. I rise in opposition. I appreciate the intent of the measure, but quite frankly, the SMA area is one of the most sensitive areas, access to which is protected by our State Constitution. I think it's one of the things that our population values most. We want to have the most scrutiny of anything that is going to occur in that area, while at the same time protecting the intent of projects that go forward to benefit the community, to benefit the public. And we certainly welcome some of those in our area, should they go forward with proper public vetting and meetings and so forth.

"And I do have some concerns regarding that process, regarding some of the other issues that have been raised. Thank you."

Representative Tokioka rose, stating:

"Mr. Speaker, in strong support. And we've had a lot of great debate on this issue. I'd like to call for the question."

At this time, Representative Tokioka called for the previous question.

The motion was put to vote by the Chair and carried, and H.B. No. 530, HD 1, entitled: "A BILL FOR AN ACT RELATING TO COASTAL ZONE MANAGEMENT," passed Third Reading by a vote of 32 ayes to 19 noes, with Representatives Belatti, Ching, Fontaine, Giugni, Hanohano, Johanson, C. Lee, Luke, Marumoto, Morikawa, Nishimoto, Pine, Riviere, Saiki, Takai, Takumi, Thielen, Ward and Wooley voting no.

At 5:31 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 283, HD 1  
 H.B. No. 1454, HD 1  
 H.B. No. 2606, HD 1  
 H.B. No. 2874, HD 1  
 H.B. No. 2328, HD 1  
 H.B. No. 530, HD 1

#### **H.B. No. 304, HD 1:**

Representative Chong moved that H.B. No. 304, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Ward rose to speak in opposition to the measure, stating:

"Mr. Speaker, you saved the best for last. You've got two bank bills on the last page. We thought we would be tired by now, but I'm going to get a second wind, because I want to say a few things in opposition if I may. Or I will yield to the Chair, as I did before, of Finance. I think he's not looking at me so I will proceed.

"Mr. Speaker, this is a bill that allows the Department of Budget and Finance to enter into agreements with other entities that issue bonds such as municipal or other states, in effect a way of pooling and leveraging assets. In short terms, it's a clever way to borrow more money. Well let me say this. As Americans, we should be embarrassed by the amount of money that we borrow. 40 cents on every dollar that our federal government spends, is borrowed money.

"Mr. Speaker, this falls in the same line as that trend for borrowing money. Do we need to borrow more money? Have we had a shortfall of bonds? Have we had high interest rates? We have not. Why do we need to do this? One would scratch one's head and say, 'What has this got to do with leveraging projects?' Unless you connect all the dots. That's how you see that you're at the airport, the runway connects all the dots together. And you see, if you don't need to borrow any money and you want to borrow money, the bottom line may be that this is State Bank component number 3. That this is something that we can seed the State Bank with, and with more capitalization, add on to what otherwise was a bad policy with a bad idea, with bad use of taxpayers' money going further and further in debt. Mr. Speaker, this is not a good bill. Thank you."

The motion was put to vote by the Chair and carried, and H.B. No. 304, HD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE FINANCES," passed Third Reading by a vote of 47 ayes to 3 noes, with Representatives Fontaine, Marumoto and Thielen voting no, and with Representative Chang being excused.

#### **H.B. No. 1033, HD 1:**

Representative Chong moved that H.B. No. 1033, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Johanson rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. In opposition. I first want to preface my comments with, I don't deny that we need to be addressing renewable energies and we need to have a state-wide solution. I think all of the bank bills have been predicated upon something good and achieving something good for our communities. So I'm not in disagreement with that. Most of my comments will focus more on the mechanism, and whether it's appropriate to achieving those ends.

"My opposition is mainly based on a few points. One being underscored by the fact that there's such widely disparate purposes and visage by most of the bank bills, I'm not sure that we clearly have a definite idea of why we would be establishing a State bank.

"This bill is interesting in that it says that it's not a State institution, which I understand. But I think what's problematic also about this bill is this bill basically creates a government sponsored enterprise. And what we've seen on the federal level, as well as in a bunch of different states, that that can often be a problematic nebulous area, because it has both attachment to the government, while not necessarily running on the same transparency standards and public sector standards of accountability and transparency.

"By creating a separate enterprise that has attachments to the State government for instance, this particular measure is the one that appoints the Governor of the State of Hawaii as the Board Chairman, as well as gives this Body and the Senate the ability to appoint the Board of Directors. It again has ties to the State, whether or not it's a private enterprise. I think that that's an awkward area that even the federal government has not managed to successfully navigate. And that has consequences, and it will have consequences for our State.

"Lastly, I oppose this measure because it will have consequences, potentially for our constituents. I would ask Members to turn to page 27, lines 12 to 14 that make this bill relevant to all of us and all of our constituents, irrespective of the nature of this bill. This says that the deposits are guaranteed by the State. And that's a big, big deal. If they're guaranteed by the State, then that puts all of us, as well as all of our constituents, on the hook for the liability of this particular bank.

"Again, I don't disagree with the intent of trying to find a solution to achieve a viable renewable energy strategy and a clean economy. I think that's a good one. But I think there are just a lot of potentially adverse impacts that this bill may have, and clearly there's need for more deliberation, which is why I did support the creation of the task force. And I would prefer that rather than simultaneously advancing all of these measures. Thank you."

Representative Fontaine rose to speak in opposition to the measure, stating:

"I'm rising in opposition. If I could have the words from the previous speaker entered as my own. I'm just really concerned about putting taxpayer dollars at risk, and the potential risk with this type of project. Thank you," and the Chair "so ordered." (By reference only.)

Representative Ching rose to speak in opposition to the measure, stating:

"Thank you, also in opposition and the same request, that the words of the Representative of Moanalua be entered as my own. Reiterating the strong support for the environment and having a clean economy, but recalling also how this smacks so much of another measure we've seen year after year, the gaming industry. When one year it's for the elderly. The next year the money's for the education of the kids. The next year it's some other very important issue. It's still a State Bank, and it's still a bad idea, I think."

Representative Oshiro rose to speak in support of the measure, stating:

"Mr. Speaker, I rise in support of this measure. First of all, I think it would serve the purpose of your constituents if you would read the bill and understand the bill. But more importantly Mr. Speaker, I make myself available to any of the Members of this Body if they have any questions on how this bill came to be, it's intention and what it aims to do.

"But let me just touch upon a few things, and I ask permission to submit written comments so I can shorten my comments. But just that, people would understand what's going on right now, given the rank partisanship in Congress right now, they've been stymied to creating something similar to this on the national level, where they can go and actually collectivize the interest of several states in really promoting the funding of green jobs and green projects that serve so many different purposes and address so many

certain needs that we all aspire to have for our constituents and our communities.

"Connecticut and Kentucky have a program like this, but what prevents them from moving ahead really and collectivizing the interests of other states is that they cannot go outside their borders to draw down any of the federal monies that are available.

"Back in 2008, 2009, Congress, through the ARRA, American Recovery and Reinvestment Act, set aside about \$2.6 billion in funding, distributing it to states and municipalities and counties for their energy related projects. But because they are done in such small amounts, it really didn't make sense business wise for them to go and float those bonds and sell those bonds, and incentivize and attract investors to it. So the idea was that if you can allow for bundling in bigger packets of bond sales, it would make sense both for the states, small municipalities and counties, if they could do that.

"And that's why this bill came to us. We were contacted by some of the folks up in Washington D.C. and the East Coast, who are involved in these kinds of green banking activities, that looking at cost of land. They thought that Hawaii could be the leader, given our stable political establishment, given our understanding of the need for renewable energies, and given our interest in promoting green jobs. So that's how this came to be.

"We're talking about this Qualified Energy Conservation Bonds, also known as QECBs, and QECBs enable states and counties to finance clean economy projects at low interest rates. But most of the remaining QECB allocations far in excess of \$1 billion are allocated to counties too small to benefit from them.

"For example, right now, we have about \$13 million set aside for the State of Hawaii and the City and County of Honolulu, Maui County, Kauai County, Hawaii County that we cannot access right now.

"So I just wanted to ask Members for their support. This is a work in progress. We've still got a ways to go, but it is worth exploring. And I offer myself for any questions you might have. Thank you."

Representative Oshiro's written remarks are as follows:

"Mr. Speaker, I rise in support of House Bill No. 1033, House Draft 1. This bill would establish the Clean Economy Bank of the State of Hawaii.

"Since 2008, several members of the United States Congress have introduced bills to create a national clean economy or "green" bank. Due to the rank partisanship in Washington and the increasing politization of all things "green," these bills failed to pass. Yet the need for such a bank remains paramount. Investors, business leaders, and local government officials agree that in order to accelerate the deployment of new technologies, replicate successful financing models across the country and attract greater investment from the private sector, the United States needs a clean economy bank.

"In the absence of federal leadership, a handful of states have already launched state green banks. Connecticut and Kentucky are two notable examples. And while these state banks are powerful instruments within their own borders, none of them has the power to aggregate capital and economic opportunity on a scale that will create millions of jobs and make the United States more competitive in the global economy.

"On February 29th, your Committee on Finance heard a proposed House Draft 1 for House Bill No. 1033. This proposal was developed by experts in Washington, D.C., to utilize a state-bank model to function nationwide as a clean economy bank for all states, territories, and municipalities of the United States that wish to support it and benefit from its unique qualities.

"In Washington, D.C., federal officials and a core group of stakeholders are currently working to accelerate the deployment of \$2.6 billion in unused ARRA funding that was allocated to states and municipalities in the form of Qualified Energy Conservation Bonds, or better known as QECBs. QECBs enable states and municipalities to finance clean economy projects at extraordinarily low rates. However, most of the

remaining QECB allocations, far in excess of \$1 billion, were allocated to municipalities in amounts too small to benefit from the low interest rate and efficiencies of scale.

"One such municipality facing this problem is the City and County of Honolulu. It received an allocation of \$13 million but as of yet, none of it has been issued.

"A larger entity, like a state-owned bank with a nationwide focus, could conceivably aggregate and jointly issue these bonds on behalf of participating municipalities.

"Here's how it would work. Say a corporation wants to build biofuel facilities in Houston, Texas, Phoenix, Arizona, and Butte, Montana. The corporation needs to proceed quickly in order to take advantage of certain tax benefits offered in each State. However, because each of these jurisdictions had just recently sold bonds and because the amount of bonds needed to be sold for these projects are relatively small, these states do not plan to sell bonds until next year.

"Hawaii's state-owned clean economy bank is contacted. It is able to aggregate the amount of bonds to be sold for Houston, Phoenix and Butte into a single transaction. The bonds are sold at lower administrative costs and the proceeds are turned over to each city. For its services, the state-owned clean economy bank receives a reasonable service fee. Everyone benefits. The corporation gets its financing, the municipalities are able to utilize low interest bonds at even lower costs, and the State of Hawaii receives revenue for its services.

"Experts in Washington, D.C. believe Hawaii is the ideal state to establish the clean economy bank:

- (1) Hawaii's progressive and relatively stable political environment would allow the bank to be established and grow without constant partisan attack, and the laws governing the bank can be enacted quickly as new opportunities arise and best practices are identified;
- (2) Over the past several years, Hawaii has emerged as a national leader in clean economy industries. Such businesses like Pacific Biodiesel, Sopogy, and Oceanit are driving investment, creating jobs, and making the United States more competitive in the global economy;
- (3) Hawaii has been a key strategic partner to Western states like Oregon, Washington, California, and Colorado. The West is arguably the region of the United States with the greatest executive leadership on clean economy; and
- (4) The Hawaii State Legislature is considering the establishment of a state-owned bank at the same time that up to \$2.6 billion is available to capitalize it.

"Many agree that this concept holds much promise. Among them include:

- Oregon State Representative Jules Kopel Bailey, who testified, "Why would a legislator from Oregon care about a Hawaii bill, especially when it might create competition? In actuality, more investment in clean energy means lower costs across the nation in this sector, a bigger, more robust industry, and critical progress on climate change. The more states that act, the more we win for good-paying, American jobs."
- Michelle Wyman, Executive Director of Washington, D.C.-based Applied Solutions, who testified, "the combined resources of the participating governments will spur local investment and open new markets to clean energy industries. This will save energy, reduce carbon emissions, and make the United States more competitive in the global economy."
- Kelly King, Vice President of Hawaii-based Pacific Biodiesel, who testified, ". . . Pacific Biodiesel has been receiving much attention for our sustainable business model and can attest to the advantages and



ability of Hawaii to undertake the ambitious Clean Economy Bank. Our experience operating from perhaps the most remote of the fifty states has at times been challenging, but also rewarding. In fact, our remote location may be the biggest factor in our ability to remain mission-driven while still focusing on getting the job done and realizing economic success."

- Colin Bishopp, Senior Advisor of Clean Economy Development Center, who testified, "I write today in support of House Bill 1033 because business leaders and local governments – in Hawaii and all across the country – urgently need a new partner, a clean economy bank, and they are not going to get it from Washington. In the absence of federal action, we need Hawaii, a state with strong leaders committed to clean energy and the environment, to step forward and establish a clean economy bank that will work alongside commercial banks to co-invest in businesses, technologies and projects that help us improve the way we use energy, water, and waste."

"Of the bills heard last Wednesday, House Bill 1033 exemplifies how a state-owned bank can move Hawaii to the forefront of clean energy both nationally and internationally. It shows us how we can become financially self-sustaining in the economy of the 21st century.

"I'd be the first to say that much more work will need to be done to make this concept reality. Hawaii's banking, lending, investment, and bond-financing laws are extremely complex and we must proceed cautiously to mitigate any unintended consequences.

"But I ask for your support for this measure to continue the discussion on this concept. This will allow us to continue to refine this legislation to make it workable in the future.

"For these reasons, I urge your favorable consideration of this bill."

Representative Ward rose to speak in opposition to the measure, stating:

"Mr. Speaker, I rise in opposition. I'm glad that the previous speaker ended on a note of work in progress, because that means that maybe this study will take precedence and we won't jump into formation of a bank. As the Speaker Emeritus said, you either choose one or the other. And maybe that could be the choice at the end of the Session.

"But Mr. Speaker, I'm not sure that this is the best name for this bank, the Clean Economy Bank. Or is the Poor Economy Bank? You have to have the timing to start a bank, and now is the worst time to start a bank. Timing is very important when you start a business. If you start a bank now, it's almost like what we do in entrepreneur training, and I've been training people to start a business for the last 20 years. You've got to watch out for the dinosaurs. The dinosaurs for example are like, if you say you want to start a new business, I want to get into the video rental business. Not knowing that after Blockbuster knocked out the mom and pops, Netflix is knocking out Blockbuster.

"This is a dinosaur. Banks have been dying and gobbled up left, right and center since the 2008 recession. We want to get into a bank, in effect in an industry that's dying off. And one that we think we're smart enough to be able to do. That's amazing. That's what I think is false confidence and false entrepreneurship.

"So what we have here, is the people who run the government, DCCA, Budget and Finance, all came to the Committee and said, and I quote, 'Given the State's current financial condition, the bill would overextend the State's financial resources in such a way that it could have a detrimental effect on the State's credit rating.' This is something that we said before. It also said that we don't have the money to do it. General funds to finance this would be generally impossible.

"DCCA, B&F said that. The Hawaii Bankers Association, Mr. Speaker, they were so diplomatic, you could see the right words coming up, but by the body language, they are very concerned about this bill. The private sector, the credit unions, are all concerned. What are we going to do with this?

"So Mr. Speaker, what's the solution to all this? I think I have one suggestion. Let's for example, consider doing a green bank. I did a little bit of research on this green bank of Kentucky. So we haven't only flirted with North Dakota. We've flirted with the green bank of Kentucky. However, do all of us know that the green bank is a revolving loan fund for energy performance services contracts on state owned facilities? There are various mentions in the Committee Report and it's for state owned facilities. Not for the people in their houses, PV or solar. It's for state owned facilities.

"The green bank of Kentucky was created in 2009 with a grant from ARRA. ARRA is the federal bailout money, \$15 million. So far to date they have invested in 9 projects for \$14 million. And I must mention, Mr. Speaker, as I mentioned before, the governance model. You know what the governance model of the green bank is? Guess who the loan committee's comprised of. The Finance Director, the Secretary of Energy, and the Budget Director. If they are like here, they are political appointees. Mr. Speaker, probably not a good model.

"So what's the solution? I say let's gut and replace this bill with the PACE bill. The PACE bill puts a solar and a PV on every roof, it's something that's amortized over 20 years using the property taxes for people to do it. The people of Hawaii need to have energy. They need to get funding. This is a way to do that, Mr. Speaker.

"So in summary, this is fake entrepreneurship. This is the State trying to get in and pretend like it knows what it's doing. And I would suggest the Speaker Emeritus and what we had said be taken totally to heart. Let's study this baby. I'll vote for that big time. But let's do a study before we jump into a State Bank and start using taxpayers' money for the bad idea, for bad policy, for bad investments. Thank you."

Representative Marumoto rose to speak in opposition to the measure, stating:

"Mr. Speaker, I'm going to vote no on this particular. I don't know why we are passing this bill. I'm thinking perhaps we want to put some financial institutions out of business. We have plenty of credit unions in this community. We have finance companies we could borrow money from. We have big banks and we have small banks. We could borrow money from federal and State programs.

"I'm bewildered by the rationale. Why risk public funds in this venture? I simply see it as another socialist scheme. Thank you."

The motion was put to vote by the Chair and carried, and H.B. No. 1033, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC FINANCE," passed Third Reading by a vote of 42 ayes to 8 noes, with Representatives Ching, Fontaine, Johanson, Marumoto, Pine, Riviere, Thielen and Ward voting no, and with Representative Chang being excused.

#### **H.B. No. 42:**

Representative Chong moved that H.B. No. 42, pass Third Reading, seconded by Representative Evans.

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I'm rising to vote against the bill, and to just briefly say a couple of comments. Thank you. The Chinatown Business and Community Association contributed \$10,000, to have a public restroom at the River of Life Mission on Pauahi Street. It was open for 90 days, weekends only, and it closed on February 26th.

"The CBCA says there haven't been any public bathrooms in Chinatown for 13 years. There's one on the outskirts at A'ala Park, but because there's an abundance of drug activity, most people don't want to go there.

"There are three parks in the Downtown Chinatown area. None of them have restroom facilities. And occasionally the Chinatown Police Department opens a unisex restroom, but it's mostly closed due to being out of operation, or out of order.

"So I would urge Members to rethink this one. We're criminalizing behavior, but instead of going in the way that we should be going, we're criminalizing behavior. The better way would be to do an appropriation to the City to enable them to have a 24-hour public restroom in a location that would be acceptable to the Chinatown community. But the way it is now, the CBCA is, I think very frustrated from not having the adequate facilities. Thank you. Remarks to the Journal, please."

Representative Thielen's written remarks are as follows:

"Public Restrooms within the Boundaries of Downtown Honolulu

"As part of a pilot program, the public restroom (usually open for individuals doing business on-site) at River of Life Mission on Pauahi Street was opened for public use from 10:00 a.m. to 9:00 p.m. on weekends only. The City along with the Chinatown Business and Community Association (CBCA) contributed \$10,000 to keep the facility open for 90 days beginning on November 19, 2011 and ended on February 26, 2012.

"Now that the 90-day trial period is over, the public restrooms in Chinatown are now closed. The CBCA says the program was a success, but is now concerned Chinatown merchants and residents will have to deal with unsanitary conditions on the sidewalks. The CBCA is hoping funding can be found to keep the restrooms open year-round.

"During the trial period, there were close to 800 users which accounted for 330 hours or 30 full 11-hour days of service. It should be noted that 80% of the users were males and the restrooms averaged 27 users each day. On special occasions, such as the "Night in Chinatown" festival held in January, 129 people used the pilot restroom facility; it should be noted that 100 users of the restroom were members of the general public and not homeless individuals.

"Chu Lan Shubert-Kwock, President of the CBCA, said that the bathrooms cost around \$300 a day to keep open, which is very expensive, but considering the alternatives, it was a good community investment. The \$300 funds were used to maintain the facility, obtain supplies and pay for the use of a security guard.

"According to Mrs. Shubert-Kwock, there haven't been any public bathrooms in Chinatown for 13 years. On the outskirts of Chinatown, there is one restroom located at Aala Park; however, because there is an abundance of drug activity in that restroom, many homeless choose to stay away.

"There are three parks in the Downtown - Chinatown area; Smith-Beretania Park, Dr. Sun Yat Sen Park, previously referred to as Gateway Park and Dr. Sun Yat Sen Mall. There are no restroom facilities at these parks.

"Occasionally, the Chinatown Police Department will open a unisex restroom. However, it is often closed due to it being out of order. Many homeless have criminal records which plays a large role in why they prefer not to use HPD's Chinatown restroom.

"Mrs. Shubert-Kwock also noted that during Downtown/Chinatown celebrations, many people partaking in the festivities also do not have a place to go if they need to use the restroom. However, unlike homeless individuals, these people have the necessary funds to walk into a business establishment, purchase something small and use the business establishment's restroom.

"The CBCA would like the City and State to seriously look into funding full time, 365 days a year public restrooms very soon. The Downtown/Chinatown area is popular with residents and visitors alike and to have urine and defecation out in the open is not good for business or Hawaii's image of hospitality and beauty."

Representative Brower rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In support. For someone who cares so much about the environment, I'm disappointed in the legislator from Kaneohe

Bay, Kailua. The biggest problem with this bill is that it wasn't amended to include swimming pools. Because according to the Department of Parks and Recreation, there is no law regarding swimming pools. But back to the bill.

"The problem is not that we lack restrooms. For example, at Ala Moana Beach Park, we have public restrooms open, but people who live in the park find it inconvenient to use, so they relieve themselves wherever at will.

"Item. If you're in an area of the city, Downtown, Ala Moana Park, wherever. If you're in an area that doesn't have access to restrooms, chances are you probably shouldn't be there for an extended period of time. It's against the law for you to not clean up after your dog's business, but for a person they can do the same business and not clean up. And it's not against the law. Like if you and your pet simultaneously, one would be breaking the law, the other wouldn't. So I believe both should be breaking the law.

"This is a law that should be passed for the entire City, not just Downtown. I would hope that we wouldn't need it. The enforcement of this bill, should it become law, should be similar to our litter laws on the books. Hopefully not often needed to be enforced, but there when considered necessary. Selective, but effective. Thank you."

Representative Herkes rose to speak in support of the measure, stating:

"Mr. Speaker, I wish we could exclude those of us who are 80 and older and have prostate cancer. Because if you've been through that, when you gotta go, you gotta go. And I'm sorry, but I've gotta go."

Representative Cabanilla rose to speak in support of the measure with reservations, stating:

"In support with reservation, Mr. Speaker. And I mirror the sentiments of my colleague from Kailua. I think that we should have more public restrooms. I had the opportunity to visit Australia during the summer, and I went to three different cities. Every shopping center or mall had public restrooms, and they did not have the problem that we have in Waipahu or in Downtown Honolulu.

"So I agree that we should have a measure to fund more restrooms as a grant-in-aid to the City. Thank you, Mr. Speaker."

Representative Ching rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In support of the measure. But in rebuttal to the good Representative from Waikiki who has such a sense of humor, always has such a sense of humor. My interpretation of what the Representative of Kailua was saying is how much she cared about people. That is my impression of the Representative of Kailua, and that's why she cares for the environment as well."

Representative Rhoads rose to speak in support of the measure, stating:

"Mr. Speaker, in support. I'm sorry that the CPC Chairman left, because the bill actually does include a provision that if you have a medical condition that would cause you to go to the bathroom involuntarily, you would not be subject to prosecution under this law.

"I would also add that as the Representative of Chinatown, the idea that there are not enough bathrooms in the area is just baloney. There are plenty of bathrooms. People choose not to use them. The law actually, in my understanding from the Police Department, is it's been enforced more against guys coming out of bars late at night, and *shishi*-ing off the curb onto the street.

"I think that kind of behavior should be unacceptable. And even though like any law, it's not enforced 100% of the time, I think it's important to have a standard of conduct. For those who don't care if people come and urinate and defecate on your front steps, on your lanai or in your mailbox or in your driveway, that's fine. If you don't have this problem in your district, great. I'm glad for you. But for the two of us whose district it

actually affects, the Representative from Waikiki and I, we support it and I hope you will too. Mahalo."

Representative McKelvey rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. In support with reservations. And unfortunately, we can't avail ourselves of this new law because it's only restricted to the Downtown, Chinatown area. So, if we had that problem, we unfortunately couldn't make use of it. And just another thing. It's great to hear that were now being so generous to the City and County of Honolulu. I'd just like to know what kind of revenue bills the Representatives are going to support to pay for us to pay for all of these bathrooms. Thank you."

Representative Oshiro rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Cullen rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative M. Lee rose to speak in support of the measure, stating:

"Actually Mr. Speaker, I'm in support. But one of the things that I learned from the Representative from Chinatown is that although there are lots of bathrooms, there is very limited signage. So it would be very easy to encourage the City and County to place adequate signage and perhaps that would help a bit. Thank you."

Representative Aquino rose in support of the measure with reservations and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Aquino's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in support of House Bill 42 with some reservation. Mr. Speaker, this bill would make public defecation and urination in the Downtown district permanent. My only reservation is that this measure should apply to all areas of our State and not be district or area specific. I understand the need in Downtown Honolulu and Waikiki due to our visitor populations who frequent these areas, but I believe that this is a relevant issue for all of our communities. Thank you."

Representative Cullen rose in support of the measure with reservations and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Cullen's written remarks are as follows:

"Mr. Speaker, although I greatly support this measure, I vote with reservations because I believe that the measure should be amended to include all cities throughout the State of Hawaii. I understand that urination and defecation on our public and private properties is a huge problem in Downtown Honolulu, but by expanding the area to all counties, instead of limiting it, and permanently prohibiting such actions would be immensely beneficial to the health of our citizens, as these wastes ultimately become hazardous."

The motion was put to vote by the Chair and carried, and H.B. No. 42, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ORDER," passed Third Reading by a vote of 49 ayes to 1 no, with Representative Thielen voting no, and with Representative Chang being excused.

#### **H.B. No. 2686, HD 1:**

On motion by Representative Chong, seconded by Representative Evans and carried, H.B. No. 2686, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CIVIL LIABILITY," passed Third Reading by a vote of 50 ayes, with Representative Chang being excused.

At 5:55 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 304, HD 1  
H.B. No. 1033, HD 1  
H.B. No. 42  
H.B. No. 2686, HD 1

#### **INTRODUCTION OF RESOLUTIONS**

By unanimous consent, the following resolutions (H.R. Nos. 53 through 56) and concurrent resolutions (H.C.R. Nos. 75 through 81) were referred to Printing and further action was deferred:

H.R. No. 53, entitled: "HOUSE RESOLUTION REQUESTING A STUDY OF THE SOCIAL IMPACTS OF A SINGLE STAND-ALONE CASINO IN WAIKIKI," was jointly offered by Representatives Souki, Carroll, Chang, Hanohano, Herkes, Ito, Tsuji, Chong, Kawakami, Keith-Agaran, McKelvey and Say.

H.R. No. 54, entitled: "HOUSE RESOLUTION URGING FOOD PRODUCERS TO VOLUNTARILY LABEL THEIR PRODUCTS AS BEING FREE OF GENETICALLY MODIFIED ORGANISMS," was jointly offered by Representatives Fontaine, Carroll, Riviere, Brower, Marumoto, McKelvey, Souki and Ward.

H.R. No. 55, entitled: "HOUSE RESOLUTION URGING THE FEDERAL GOVERNMENT TO INCLUDE HONG KONG IN THE UNITED STATES VISA WAIVER PROGRAM AND EASE VISA RESTRICTIONS AND THE VISA APPLICATION AND APPROVAL PROCESS FOR BUSINESS AND TOURIST TRAVELERS WITH HONG KONG SPECIAL ADMINISTRATIVE REGION PASSPORTS," was jointly offered by Representatives McKelvey, Brower, Ching, Awana, Carroll, Chang, Chong, Choy, Hashem, Nishimoto and Say.

H.R. No. 56, entitled: "HOUSE RESOLUTION REQUESTING THE OFFICE OF VETERANS SERVICES TO CONVENE A VETERANS' SUMMIT IN EACH OF THE VARIOUS COUNTIES AND A STATEWIDE SUMMIT TO DEVELOP AND PROMOTE COLLABORATION AMONG THE PUBLIC AND PRIVATE ENTITIES THAT PROVIDE SERVICES TO VETERANS," was jointly offered by Representatives McKelvey, Aquino, Awana, Cullen, Evans, Ichiyama, Nishimoto, Souki, Ward and Yamashita.

H.C.R. No. 75, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING A STUDY OF THE SOCIAL IMPACTS OF A SINGLE STAND-ALONE CASINO IN WAIKIKI," was jointly offered by Representatives Souki, Carroll, Chang, Hanohano, Herkes, Ito, Tsuji, Chong, Kawakami, Keith-Agaran, McKelvey and Say.

H.C.R. No. 76, entitled: "HOUSE CONCURRENT RESOLUTION URGING FOOD PRODUCERS TO VOLUNTARILY LABEL THEIR PRODUCTS AS BEING FREE OF GENETICALLY MODIFIED ORGANISMS," was jointly offered by Representatives Fontaine, Riviere, Ching, Marumoto, Pine, Souki and Ward.

H.C.R. No. 77, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE UNITED STATES CONGRESS TO SUPPORT AND ESTABLISH A NATIONAL BROADBAND NETWORK," was jointly offered by Representatives McKelvey and Yamashita.

H.C.R. No. 78, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE GOVERNOR, DEPARTMENT OF HAWAIIAN HOME LANDS, AND DEPARTMENT OF PUBLIC SAFETY TO CONSIDER DEVELOPING A NEW CORRECTIONAL FACILITY ON THE LAND ADMINISTERED BY THE DEPARTMENT OF HAWAIIAN HOME LANDS THAT IS ADJACENT TO HILO INTERNATIONAL AIRPORT," was jointly offered by Representatives Chang, Coffman, Evans, Hanohano, Herkes, Mizuno, Nakashima, Souki and Tsuji.

H.C.R. No. 79, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE BOARD OF EDUCATION TO REQUIRE EACH SCHOOL COMMUNITY COUNCIL TO REVIEW ITS SCHOOL'S ATTENDANCE POLICY, CREATE BENCHMARKS TO IMPROVE ATTENDANCE, AND DEVELOP AN IMPLEMENTATION PLAN TO MEET THOSE BENCHMARKS," was jointly offered by Representatives Belatti, Morikawa, Nishimoto, Takai, Takumi, Wooley and Yamane.

H.C.R. No. 80, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE BOARD OF EDUCATION AND DEPARTMENT OF EDUCATION TO COLLABORATE WITH PARENT ORGANIZATIONS TO ESTABLISH, IMPLEMENT, AND MONITOR STATEWIDE POLICIES FOR FAMILY ENGAGEMENT IN HAWAII'S PUBLIC SCHOOLS," was jointly offered by Representatives Belatti, Chang, Ito, Morikawa, Nishimoto, Takai, Takumi, Wooley and Yamane.

H.C.R. No. 81, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE BOARD OF EDUCATION AND DEPARTMENT OF EDUCATION TO ESTABLISH A STATEWIDE RESOURCE DEVELOPMENT PROGRAM TO ASSIST THE COMPLEX AREAS IN CREATING ENDOWMENTS TO BENEFIT HAWAII'S PUBLIC SCHOOLS," was jointly offered by Representatives Belatti, Ito, Morikawa, Nishimoto, Takai, Takumi, Wooley and Yamane.

#### ANNOUNCEMENTS

Representative Ward: "Mr. Speaker, just a *mahalo*, a thank you from the Minority Caucus to the Speaker and the Majority for a great Korean lunch. And to wish everyone a happy recess."

#### COMMITTEE ASSIGNMENTS

The following measures were referred to committee by the Speaker:

<u>H.R.</u> <u>No.</u>	<u>Referred to:</u>
52	Committee on Labor & Public Employment, then to the Committee on Finance

<u>H.C.R.</u> <u>Nos.</u>	<u>Referred to:</u>
72	Jointly to the Committee on Energy & Environmental Protection and the Committee on Housing
73	Committee on Labor & Public Employment, then to the Committee on Finance
74	Committee on Education, then to the Committee on Finance

<u>S.B.</u> <u>Nos.</u>	<u>Referred to:</u>
2316	Committee on Consumer Protection & Commerce, then to the Committee on Finance
2693	Committee on Agriculture, then to the Committee on Finance
2772, SD1	Committee on Education, then to the Committee on Finance
3024, SD1	Committee on Economic Revitalization & Business

#### ADJOURNMENT

At 5:56 o'clock p.m., on motion by Representative Evans, seconded by Representative Pine and carried, the House of Representatives adjourned until 12:00 o'clock noon, Thursday, March 08, 2012. (Representative Chang was excused.)

#### HOUSE COMMUNICATIONS

"March 6, 2012

The Honorable Neil Abercrombie  
Governor of the State of Hawaii  
Executive Chambers  
State Capitol  
Honolulu, Hawaii 96813

Dear Governor Abercrombie,

In accordance with the provisions of Article XVII, Section 3 of the Hawaii State Constitution, written notice is hereby given of the final form of the following House Bills, copies of which are attached hereto:

H.B. No. 2401, H.D.2, entitled:

"PROPOSING AN AMENDMENT TO ARTICLE IV, SECTION 2, OF THE HAWAII STATE CONSTITUTION TO ADD A RESIDENCY REQUIREMENT FOR MEMBERS APPOINTED TO THE REAPPORTIONMENT COMMISSION."

H.B. No. 2594, H.D.2, entitled:

"PROPOSING AN AMENDMENT TO ARTICLE VII, SECTION 12, OF THE HAWAII STATE CONSTITUTION TO ASSIST DAM AND RESERVOIR OWNERS."

Said measures passed Third Reading in the Hawaii House of Representatives on this date.

Respectfully,  
/s/ CJ Leong  
CJ Leong  
Chief Clerk

Enclosures

cc: Carol Taniguchi, Senate Chief Clerk  
Scott Nago, Chief Election Officer"